SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): March 14, 2008

FERIS INTERNATIONAL, INC.
(Exact Name of Registrant as Specified in its Charter)

Nevada
(State or Other Jurisdiction of Incorporation)

000-24477	86-0776876
(Commission File Number)	(I.R.S. Employer Identification No.)
8439 Sunset Boulevard, 2nd Floor, West Hollywood, CA	90069
(Address of Principal Executive Offices)	(Zip Code)

800 504 8834
(Registrant's Telephone Number, Including Area Code)

3155 East Patrick Lane, Suite 1, Las Vegas, Nevada 89120
(Former Name or Former Address, if Changed Since Last Report)

Item 2.01 Completion of Acquisition or Disposition of Assets

On or about March 10, 2008, pursuant to an Agreement and Plan of Merger dated as of August 20, 2007 (the "Merger Agreement") by and among Feris International, Inc. ("Feris"), Feris Merger Sub, Inc. and Patty Linson, on the one hand; and Pro Sports & Entertainment, Inc. ("PSEI" or the "Company"), on the other hand, Feris issued 49,500,000 shares of its common stock in exchange (the "Exchange") for all of the issued and outstanding shares of the Company. Pursuant to the terms of the Share Exchange Agreement, there will be 55,000,000 shares of common stock issued and outstanding after giving effect to the Exchange. As a result of the Merger, PSEI became a wholly owned subsidiary of the Company.

NOTE: The discussion contained in this Item 2.01 relates primarily to PSEI. Information relating to the business and results of operations of Feris and all other information relating to Feris has been previously reported in its Annual Report on Form 10-KSB for the year ended December 31, 2007 and prior periodic filings with the SEC and is herein incorporated by reference to those reports.

Overview

Pro Sports & Entertainment, Inc. ("PSEI"), located in Los Angeles, was formed as a California corporation in November 1998. PSEI owns or is targeting the acquisition of live entertainment companies in the following areas ("Strategic Verticals"): Action Sports, Auto Shows, College Sports, Concerts & Music Festivals, Food Entertainment, Diversified Media Marketing, Motor Sports, Running Events, Trade Shows & Expos, and Talent Management. In addition, the Company has acquired the Stratus Rewards Visa White Card marketing and redemption platform which provides benefits to its cardholders for use of the card in the form of luxury trips, private jet travel, luxury automobiles, high end merchandise and other rewards for specified levels of use. Assuming PSEI is able to raise appropriate capital, PSEI intends to operate its current portfolio of live entertainment events, activate certain existing properties, operate Stratus Rewards and acquire and aggregate a global platform of live entertainment events.

The business plan of PSEI is to own and operate 100% of all event revenue rights and derive its revenue primarily from ticket /admission sales, corporate sponsorship, television, print, radio, on-line and broadcast rights fees, merchandising, and hospitality activities. With additional funding, the objective of management is to build a profitable business by implementing an aggressive acquisition growth plan to acquire quality companies, build corporate infrastructure, and increase organic growth. The plan is to leverage operational efficiencies across an expanded portfolio of events to reduce costs and increase revenues. The Company intends to promote the Stratus Rewards card and its events together, obtaining maximum cross marketing benefit among card members, corporate sponsors and PSEI events.

Strategy

PSEI is a "roll up" strategy, targeting sports and live entertainment events and companies that are independently owned and operated or being divested by larger companies with the plan to aggregate them into one large leading live entertainment company. The strategy is to purchase these events for approximately 4-6 times Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") of the events with the expectation that the combined EBITDA of the Company from these events will receive a much higher valuation multiple in the public markets.

Assuming the availability of capital, PSEI is targeting acquisitions of event properties in each of the Strategic Verticals. The goal is to aggressively build-up a critical mass of events, venues and companies that allow for numerous cross-event synergies. Specifically:

- On the expense side, to share sales, financial and operations resources across multiple events, creating economies of scale, increasing the Company's purchasing power, eliminating duplicative costs, and bringing standardized operating and financial procedures to all events, thus increasing the margins of all events.

- On the revenue side, to present to advertisers and corporate sponsors a diverse menu of demographics and programming that allows sponsors “one stop shopping” rather than having to deal with each event on its own.

With these core operational synergies and subject to available capital, PSEI intends to (1) expand its acquisition strategy of additional live sports and entertainment events and companies, (2) combine existing and future events to serve targeted demographic markets, and (3) cross-promote the Stratus Rewards Visa card with these events to enhance the results of the card and event businesses.

The business plan of PSEI is to provide integrated event management, television programming, marketing, talent representation and consulting services in the sports and other live entertainment industries. PSEI’s event management, television programming and marketing services may involve:

- managing sporting events, such as college bowl games, golf tournaments and auto racing team and events;
- managing live entertainment events, such as music festivals, car shows and fashion shows;
- producing television programs, principally sports entertainment and live entertainment programs; and
- marketing athletes, models and entertainers and organizations.

The objective of this approach is to consolidate event properties and then craft individual large-scale deals to allow companies to bundle advertising across diverse events.

For example, subject to available capital, PSEI is targeting the acquisition of eight music festivals by the end of 2009, with the goal of combining them with its current music festival events and having one event per month. Through these acquisitions, the Company plans to utilize core competencies in the areas of promotion, operations, marketing, sales and distribution. The objective is to afford PSEI better negotiating leverage with cost centers such as advertising, marketing, venue and talent costs on a regional, national and international scale. Additionally, by offering advertisers access to other PSEI’s properties, the Company hopes to create greater value for the advertisers by offering other key demographic target markets to the client and creating greater value, more impression and a higher cost point for less risk.

Properties

The following is the Company’s current portfolio of properties (pursuant to which PSEI has rights to the names and/or contract rights to operate). Most of the properties have never been activated by the Company (such as the college football bowl games), require the payment of additional amounts to complete the acquisitions (such as the Core Tour alternative sports events) or have not generated revenues in the last year and require reactivation (such as auto shows and music festivals).

College Sports Events

Freedom Bowl College Bowl Game acquired in October 1998 by PSEI. Played for the first time in 1984 at Anaheim Stadium, the Freedom Bowl was for years one of the “big” bowl games, hosting top teams from UCLA, USC, Washington, Colorado, Brigham Young and Arizona State. In 1996 this event became inactive and PSEI is now seeking certification for a 2009 date. PSEI intends to host this event at a major venue for potential 60,000 or more attendees with attendant television rights.

Seattle Bowl College Bowl Game This bowl was known previously as the Aloha Bowl and is up for recertification by the NCAA. PSEI has a letter of intent to use Seattle Seahawk Stadium for this event Sponsorships and television broadcast rights will be negotiated pending the NCAA's final decision.

PSEI is reviewing the opportunity to acquire an additional college bowl game and combine the three bowls into a series in which common cost centers will be shared and believes that increased sponsorship interest and revenue will result by expanding benefits to all three events. PSEI intends to seek major sponsors for a long-term multi-million title naming sponsorship, providing recurring revenues for multiple years. Implementation will depend on obtaining necessary capital and NCAA certifications.

Action Sports Events

Core Tour Action Sports & Music Festival - The Company entered into a contract to acquire its assets in October 2003. To complete the acquisition, the Company is required to make payment of the balance of $482,126.30 in cash and $125,000 in Common Stock. The event is a summer series of "extreme sports" events and concerts which visit multiple cities including Los Angeles, New York and Chicago. The festival has involves competitions in BMX dirt motorcycle jumping, in-line skating, mountain boarding and skateboarding. A concert series runs in conjunction with the events that features music targeted at the intended market. Past events have resulted in an audience size of approximately 30,000 per day over three days and included major television coverage of the events. PSEI intends to expand this series of events to 4 summer events and 4 winter events for a total of 8 events. The winter events will include snowboarding, skiing and snowmobile racing events.

Auto Show Events

Santa Barbara Concours d' Elegance - acquired all of the assets in October 1998 from Crane School, after twenty years of operations. This is one of the oldest vintage automobile shows in the USA and in the past has drawn audiences of 40,000 or more per day over a four-day period. Anticipated to be held in October of this year, the show is planned to move from its old location at the Sandpiper golf course in Santa Barbara to the Santa Barbara International Polo Club and Fields, to increase audience and revenue opportunities. This event will compliment the 10 city tour of Concours d' Elegance events owned by PSEI. PSEI is adding additional elements to this event which include a vintage and modern Italian auto show, American classics auto show, fashion show, music festival, wine festival, charity gala and auction, and a road rally visiting top Central Coast wineries and points of interest. In 2009, PSEI plans to add an auto auction to this week of events.

The Beverly Hills Concours d' Elegance - acquired in June 2004. The Beverly Hills Concours historically has drawn over 65,000 spectators. In order to allow for ticket revenue and restricted access, PSEI is moving from the Rodeo Drive location used in the past to the Playboy Mansion and UCLA. Past exhibitors at the show have included car enthusiasts such as Jay Leno, Tim Allen and Nicolas Cage. Past corporate sponsors have included Daimler Chrysler, Rolex, Lladro, Ferrari, Brooks Brothers, Mequires, Geary's of Beverly Hills and Grundy.

PSEI has established or has taken over at no cost, 22 additional auto shows and intends to combine the 29 auto shows into a national series in which common cost centers will be shared. PSEI believes that increased sponsorship interest and revenue will result from this combination. PSEI is currently seeking series and individual event sponsors for a sponsorship.

Concert and Music Festivals

Maui Music Festival - Acquired in October 2003, this three-day event features jazz and alternative rock performers from around the world. Past events have attracted 3,000 to 5,000 tourists and locals each day. PSEI plans to expand the event to a 5-day format with expos, merchandising opportunities and new music genres, including rhythm and blues and soft rock.

Core Tour Music Festival - This will be part of the Core Tour Action Sports acquisition and is intended to feature music that caters to the younger demographic (the same group to which the events are targeted). PSEI intends to expand the series to operate in part with the action sports series and with additional tour stops that operate separately.

PSEI has established or is taking over at no cost 4 additional music festivals that include the Santa Barbara Music Festival, the Santa Barbara Jazz Festival, the Napa Jazz Festival and the Maui Jazz Festival. PSEI is targeting other key music festival acquisitions and believes that increased sponsorship interest and revenue will result. PSEI intends to expand the ticket, merchandising, concessions and sponsorship revenues by creating a series of events and key geographic locations, and by providing a venue for emerging talent to showcase, at little to no talent fee cost to PSEI, and by leveraging the booking of talent among a larger number of performances to reduce the cost per event.

Talent Management Vertical

Pro Sports Talent Management - acquired in November 2000 from a PSEI executive, this effort has represented over 100 professional and retired athletes and has held non-exclusive agreements to represent appearances, corporate endorsements and player contracts to such highly recognized names as Muhammad Ali, Kareem Abdul-Jabbar and Joe Namath .

PSEI's talent representation activities are planned to consist of athletes, entertainers and models principally with representation in contract and endorsement negotiations. PSEI expects to receive a percentage of monies earned by an athlete client, of approximately 4% of a player's sports contract and approximately from 15% to 25% of endorsement deals. It is expected that modeling clients will pay to PSEI 33% of a photo shoot or runway contract,10% of film, television and commercial revenues, and 33% of endorsement deals. Revenue from these sources is dependent upon a number of variables, many of which are outside PSEI's control, including a player's model's skill, health, and public appeal. Principal operating expenses include salaries, wages and travel and entertainment expenses Agent representation can be a lucrative business.

Affiliate Lifestyle Marketing Vertical

Stratus Rewards VISA - acquired in August 2005, Stratus Rewards is a lifestyle management and entertainment club, credit card and rewards system known as the "White Card for Visa" similar to the Black Card for American Express. The program was created expressly to support and enhance the affluent lifestyle. The program was designed to offer private jet travel, African safaris, exclusive events and personal services to an affluent or near-affluent individual or business owner who seeks card-card usage rewards not found elsewhere.

PSEI is reviewing the opportunity to change sponsoring banks and combine the program with a premier international bank to expand the program in 2008 and 2009 so that the Stratus Rewards VISA White Card may be offered to clients in Europe, Canada, U.K. and Asia, in addition to the United States, where it is currently marketed.

OPERATIONS

GENERAL

Subject to raising sufficient capital, the Company's operations will consist primarily of (a) live sports events, (b) music concerts, (c) specialized live entertainment events, (d) other proprietary and non-proprietary entertainment events and, (e) media platform marketing. The Company and the acquired businesses also engage in other activities ancillary to its live entertainment businesses.

Seasonality

The Company's event operations and revenues are expected to be largely seasonal in nature, with generally higher revenue generated in the third and fourth quarters of the year. For example, based on the Company's internal forecasts, the Company's existing portfolio of events will generate approximately 65% of its revenues in the third and fourth quarters because the Company's outdoor venues will be primarily utilized in the summer months, resulting in substantial revenues in the late fall, winter and early spring. Similarly, the musical concerts that the Company promotes largely occur in the second and third quarters. To the extent that the Company's entertainment marketing and consulting relate to musical concerts, they also predominantly generate revenues in the second and third quarters. Therefore, the seasonality of the Company's business causes (and, upon consummation of the intended Acquisitions) will likely probably continue to cause a significant variation in the Company's quarterly operating results. These variations in demand could have a material adverse effect on the timing of the Company's cash flows and, therefore, on its ability to service its obligations with respect to its indebtedness. However, the Company believes that this variation can be somewhat offset with the acquisition of events that are typically non-summer seasonal businesses.

Overview of the Live Entertainment Industry

With annual attendance at USA sporting events exceeding 470 million people, the sports business is estimated to generate $214 billion annually, (larger than the US automobile business). Combined with the $140 billion entertainment business, this represents a $354 billion market with tens of thousands of event properties available for acquisition. The industry is subject to recessionary pressures but has historically grown 5-10 percent annually with greater numbers of fans, higher television ratings, and increased corporate sponsorships.

The sports marketing industry has been historically fragmented, with local and regional entrepreneurs comprising the majority of the companies. In the late 1990's and early 2000's, several companies launched consolidation efforts and one of the companies, SFX, was extremely successful in building a multi-million dollar company. Fourteen months after launching a $256M IPO, SFX was acquired by Clear Channel Communications for $4.4 billion. By 2000 there were three major companies -- Clear Channel Communications (Owner of SFX), Interpublic Group (Owner of Octagon and Magna Global Entertainment), and International Management Group (IMG).

In recent years, these companies (known as "the Big 3") have begun divesting significant portions of their live sports and entertainment holdings for several reasons, detailed below in the "Competition" section.

In the marketing niche of the industry that PSEI occupies, the addressable market is estimated at $63 billion, divided as follows:

- Sponsorships - $14 billion ~ represents sponsorships of leagues, teams, broadcasts and events. Sponsorships are high margin, and have enjoyed robust growth. Sports receive 67 percent of all sponsorship dollars, with entertainment receiving nine percent and festivals receiving nine percent.

- Event Entrance & Spending - $30 billion ~ includes ticket sales of $14 billion; concessions, parking, on-site merchandise sales of $12 billion; and premium seating revenue of $4 billion. Spectator spending in these categories grew an average 18% between 2005 and 2006.

- Endorsements - $2 billion

- Media Broadcast Rights - $12 billion ~ includes the four major professional leagues (football, baseball, basketball, hockey), NASCAR, and College Sports.

- Professional Services -- $15 billion ~ includes facility and event management at $7 billion; financial, legal and insurance services at $6 billion; marketing and consulting services at $2 billion; athlete representation at $385 million

Initially Targeted Events

Subject to available capital, PSEI has targeted specific niches in the live sports and entertainment markets for its initial growth. These targets are expected to provide a combination of growth potential and reliable revenue streams.

Action Sports Industry ~ The action sports industry has expanded, evolved and contracted in the past ten years. The sports superstars admired by youth come not only from traditional sports, but from skateboarding, snowboarding, motorcycles and bikes. Currently dominated by the X-Games and now the Action Sports Tour promoted by NBC and Clear Channel, these events have elevated these more non-traditional sports, including as well their sponsorships to a level that has eliminated all but the biggest of potential sponsors of action sports.

Running Events Industry ~ Marathons dominate road running sports, but there is a growing market for shorter runs. Half-marathons (13.1 miles), 10 kilometer (6.2 miles) and 5 kilometer (3.1 miles) races actually draw more participants and can generate participation revenues equal to all but the major marathon events. Until recently, these shorter events have not been marketed to create larger sponsorship and advertising interest. Only now are shorter races offering the merchandising, as well as the hospitality events and amenities associated with full marathons. Sponsors are beginning to recognize these opportunities.

Revenues for these events could be dramatically improved with aggressive marketing and event design. Television broadcasters such as ESPN, NBC and CBS have expressed interest in this sector.

Concert and Music Festival Industry ~ The concert and music festival industry consists primarily of regional promoters focused generally in major metropolitan markets. According to Amusement Business, industry gross box office receipts for North American concert tours totaled over $6 billion in 2007, compared to $1.1 billion in 1997, representing a compounded annual growth rate of approximately 20.9%. PSEI believes that increases in ticket sales during the last several years are in part due to the increasing popularity of outdoor venues and amphitheaters as live entertainment venues, as well as an increasing number of tours that attract older audiences who did not previously attend musical concerts .

The music festival industry consists primarily of regional promoters focused in a single geographic area. Many live event experiences are created with unique accents that are targeted at specific audiences through activity or location on an annual basis. PSEI believes there is significant opportunity in developing these music events, that are unique in nature and held in desirable locations. For example, PSEI's multiple music festivals, if and when activated, will provide a destination event and location that can capture fans on a national basis. Costs can be reduced through consolidating travel expenses including hotels, ground and air transportation and government travel subsidies. These travel packages and the desirable locations will allow for a premium ticket price driven by top name acts that can combine performance with a vacation at a reduced fee.

Additionally, PSEI intends to use television and broadcast media to extend the reach of each event well beyond the festival itself PSEI believes that the music industry has not realized the full benefits of tour sponsorships. PSEI expects to change this opportunity by providing the methods by which sponsors can receive greated advantage of musical acts.

College Sports Industry ~ The NCAA's limitation of new bowl games makes the established, and generally profitable, bowl games that do exist much more valuable. This situation could further improve if a playoff system is instituted in the existing bowl structure.

Bowl properties can generate significant revenues. For example, MasterCard's sponsorship of the Alamo Bowl costs between $1 million and $1.5 million a year.

Motor Sports Industry ~ Specialized motor sports events make up a growing segment of the live entertainment industry. This growth has resulted from additional demand in existing markets and new demand in markets where new arenas and stadiums have been built. The increasing popularity of specialized motor sports over the last several years has coincided with, and, in part, been due to, the increased popularity of other professional motor sports events, such as professional auto racing, including NASCAR, Grand AM and Indy/IRL Car Racing. A number of specialized motor sports events are televised on several of the major television networks and are also shown on television in markets outside of the United States.

In general, most markets host one to four motor sports events each year, with larger markets hosting more performances. Stadiums and arenas typically work with producers and promoters to manage the scheduling of events to maximize their respective revenues. The cost of producing and promoting a typical single stadium event ranges from $300,000 to $600,000, and the cost of producing and presenting a typical single arena event ranges from $50,000 to $150,000. Typically, third parties create and finance monster trucks, demolition derbies, thrill acts, air shows and other motor sports concepts and events. They may perform in an individual event or in an entire season of events. As in other motor sports, corporate sponsorships and television exposure are important financial components that contribute to the success of a single event or season of events.

Automobile shows and races draw an affluent demographic, and while participant fees, ticket and merchandise sales can be healthy, the main revenue sources are from sponsors, advertisers, and hospitality events. Shows tend to be regional in nature, and within the region only a limited number of shows can be profitably operated. Four shows dominate the western USA; they are independently operated but could offer an opportunity if consolidated and marketed with synergies in mind. Additionally, auto shows integrated well with lifestyle sports, such as golf and tennis, and a coordinated program could enhance the combined event revenues.

Talent Representation Industry ~ Agenting involves the negotiation of employment contracts and the creation and evaluation of endorsement, promotional and other business opportunities, for the client. Agenting can be a lucrative business with high average margins. A provider in this industry may also provide ancillary services, such as financial advisory or management services to its clients in the course of the representation. By acquiring agent firms, PSEI can be in the position to add known names to its events, thereby increasing ticket sales, sponsorships and advertising.

Trade Shows/Expos Industry ~ The USA trade show market generated $4.8 billion in revenue in 2007, with high margins and low capital expenditures. Trade shows and expos, such as health or auto shows, can be a natural complement to PSEI's major events. By creating "cookie cutter" trade shows and expos that run concurrent with major anchor events, PSEI expects to gain maximum synergy from its event properties.

COMPETITION

The live sports and entertainment industry has been historically fragmented, with local and regional entrepreneurs comprising the majority of the companies. In the late 1990s, several companies launched consolidation efforts and one of the companies, SFX, was extremely successful in building a $280 million company that was acquired by Clear Channel Communications for $4.4 billion. By the early 2000's three major companies -- Clear Channel Communications (Owner of SFX), Interpublic Group (Owner of Octagon, Magna Global Entertainment), and International Management Group (IMG) had established dominant positions which comprised an estimated 60-70 percent of industry revenues.

These companies (known as "the Big 3") have begun divesting some of their live sports and entertainment holdings for several reasons:

1. The capital markets have demanded that the parent companies focus on core competencies.

2. The companies face capital shortfalls and view the sports units as easy divestments.

3. The parent companies have not successfully integrated the sports units.

4. A larger-than-life owner passed on and the family is reorganizing (IMG).

5. There are potential conflicts between advertising division and event sales division.

PSEI believes that its acquisition strategy can be more profitable than the strategies used by the "Big 3" in the past. PSEI has learned from their strategies (as outlined in "Industry"), and PSEI's strategy is fundamentally different from the SFX model. SFX sought total vertical integration, from ownership of the venue to negotiating a player's salary. This required the company to manage the venues, which tend to run on low seven to eight percent margins. PSEI's sole focus is on owning the event content and talent rights that generate high margins and are in increasing demand in the Experience Economy.

In addition to the "Big 3" there are a number of second-tier sports marketing groups. One or more of these groups may be attempting acquisition strategies that are similar to PSEI's, though the Company is unaware of any such efforts. The principal second-tier sports marketing groups are:

· Velocity Sports & Entertainment

· Vulcan Ventures

· Anschutz Entertainment Group

Although these groups are significantly larger than PSEI, management believes that PSEI can implement its strategy in its targeted verticals. Additionally, several of these companies are evaluating their strategic direction and may decide to sell parts of their sports portfolios, creating acquisition opportunities for PSEI.

The majority of the remaining live sports and entertainment events are owned and operated by smaller organizations and individuals. This industry remains fragmented and PSEI believes it is prime for consolidation.

Intellectual Property

PSEI has trademarked its currently owned events, and plans to trademark and/or copyright all new events.

Company Offices

	Square Footage	Annual Lease	Expires
Los Angeles, CA	2,804	120,40	12/14/11
Santa Barbara, CA	1,800	48,000	12/31/10

Legal Proceedings

In connection with a settlement agreement, on or about May 27, 2005, a legal judgment was entered in the Superior Court of the County of Los Angeles against the Company in favor of the previous owners of the "Core Tour" event, in the amount of $483,718. In addition, this judgment specified that the Company must pay interest of $72,552. The dispute arose out of the Company's asset purchase of the "Core Tour" event from the plaintiffs. The Company has reflected the total liability of $523,582 as of December 31, 2005, December 31, 2004 and October 31, 2007 (unaudited) and has included the acquisition cost in intangible assets. PSEI Management and Core Tour have agreed to settle this where as PSEI will make full payment and all rights of the Core Tour event will transfer to PSEI. PSEI has proposed a settlement offer of $482,126.30 in cash, plus related interest, and $125,000 in Common Stock.

On or about February 27, 2006, a plaintiff, an ex-employee, filed a complaint against the Company, seeking $356,250 in damages. On or about June 23, 2006, the Superior Court of the County of Los Angeles entered a default against the Company in favor of this former employee. The Company has recorded the entire liability as of December 31, 2005 and September 30, 2006 (unaudited). The Company plans to seek to set aside the default, disputing that it owes the plaintiff the amount claimed but, rather, the plaintiff was fully paid upon his voluntary resignation from the Company. PSEI believes that this judgment is without merit and filed a lawsuit to have the judgment dismissed in the court due to company was not properly notified and case was incorrectly awarded to plaintiff by default. The Judge's initial ruling is that the judgment was incorrectly award to plaintiff and to dismiss the judgment against PSEI.

On or about June 20, 2006, the plaintiff, Wells Fargo Bank, provided a notice of entry of judgment in the amount of $78,651 against, among others, the Company, formerly known as GMG Sports and Entertainment, Incorporated. The Company believes that all payments are current with Wells Fargo Bank and has submitted proof of payments in February of 2008.

RISK FACTORS

Development Stage Company. The Company is currently in the process of completing its development stage, bringing its staffing, infrastructure and marketing programs to an operational level. Revenues are expected to be generated from the event business in the near future and limited revenues have been generated by the Stratus credit card business. Funding is needed to reestablish operations, expand the business concept within current markets and to extend the business into new revenue generating markets through acquisitions.

Going Concern. The accompanying financial statements have been prepared in conformity with generally accepted accounting principles which contemplate continuation of the Company as a going concern. For the Period revenue ended October 31, 2007, the Company incurred net losses of $915,152. For the years ended December 31, 2006 and December 31, 2005, the Company incurred net losses of $740,700 and $1,837,030. In addition, the Company had accumulated deficits of $9,908,144, $9,167,444 and $10,823,296 as of December 31, 2006, December 31, 2005 and October 31, 2007 and had negative working capital of $6,334,123, $5,943,127 and $5,628,366 as of October 31, 2007, December 31, 2006 and 2005.

The Company has raised total equity of $9,998,800 consisting of $2,000,000 related to equity issued for the acquisition of Stratus Rewards plus $7,998,800 in cash sales of common stock since inception. Management expects that as a result of the reverse merger, the Company can raise capital through the sale of common stock and generate sufficient capital to fund its operations by having access to the wider variety of financing sources available to public companies. In addition, management believes that event operations and the Stratus Rewards affiliate redemption credit card rewards program will generate positive cash flow in the near future. However, until such time as operations are established, the Company will require capital to continue as a going concern.

Uncertainty of Profitability. The Company expects to incur substantial losses until such time as the cash inflows from events and card operations are established. While the Company expects to be profitable in the future, there can be no assurance that it will be able to do so.

Expansion Strategy; Need for Additional Funds. The Company intends to aggressively pursue additional expansion opportunities, including establishment of existing events owned by or under contract with the Company and by acquisitions. The marketing, promotion and operation of events owned by the Company will require that cash be spent on staffing and promotion in advance of the receipt of cash from the events. The Company will require outside funding to initiate these events. While the Company has identified several promising acquisition targets and expects to be able to secure financing and complete these acquisitions, there can be no assurances that it will be able to do so. While the Company intends that the value added by acquisitions will more than offset the dilution created by the issuance of additional shares issued for acquisitions, there can be no assurance that this offset will occur. Additional financing for future acquisitions may be unavailable and, depending on the terms of the proposed acquisitions, financings may be restricted by the terms of credit agreements and privately placed debt securities contained in the financing. Any debt financing would require payments of principal and interest and would adversely impact the Company's cash flow. Furthermore, future acquisitions may result in charges to operations relating to losses related to the acquired events, interest expense, or the write down of goodwill, thereby increasing the Company's losses or reducing or eliminating its earnings, if any.

Risks Related To Acquisitions. Although management believes that pursuing the Company's acquisition strategy is in the best interests of the Company, such strategy involves substantial expenditures and risks on the part of the Company. There can be no assurance that acquisitions will be completed successfully or, if completed, will yield the expected benefits to the Company, or will not materially and adversely affect the Company's business, financial condition or results of operations. There can be no assurance that the value attributed by the market to acquisitions will offset the dilution created by the issuance of additional shares. In addition, the Company may be unable to obtain financing on terms acceptable to the Company, or at all. Furthermore, consummation of the intended Acquisitions could result in charges to operations relating to losses from the acquired events, interest expense, or the write down of goodwill, which would increase the Company's losses or reduce or eliminate its earnings, if any. As a result of the foregoing, there can be no assurance as to when the intended acquisitions will be consummated or that they will be consummated. Furthermore, the results of the intended acquisitions may fail to conform to the assumptions of management. Therefore, in analyzing the information contained in this document, stockholders should consider that the intended acquisitions may not be consummated at all.

Although acquisition agreements generally provide for indemnification from the seller for a limited period of time with respect to certain matters, it is possible that some sellers may not be willing to provide indemnification, or may limit the scope of indemnification or that other material matters not identified in the due diligence process will subsequently be identified or that the matters heretofore identified will prove to be more significant than currently expected. Future acquisitions by the Company could result in (a) potentially dilutive issuances of equity securities, (b) the incurrence of substantial additional indebtedness and/or (c) incurrence of expenses for interest, operating losses and the write down of goodwill and other intangible assets, any or all of which could materially and adversely affect the Company's business, financial condition and results of operations. Acquisitions involve numerous risks, including difficulties in the assimilation of the operations, technologies, services and products of the acquired companies and the diversion of management's attention from other business concerns. In the event that any such acquisition were to occur, there can be no assurance that the Company's business, financial condition and results of operations would not be materially and adversely affected.

Economic Conditions and Consumer Taste. The Company's operations will be affected by general economic conditions and consumer tastes. The demand for live entertainment tends to be highly sensitive to consumers' disposable incomes, and thus a decline in general economic conditions that generally reduce consumers' disposable incomes could, in turn, materially and adversely affect the Company's revenues. In addition, the profitability of events promoted or produced by the Company is directly related to the ancillary revenues generated by such events, and such ancillary revenues decrease with lower attendance levels. The success of a sports or entertainment event is dependent upon public tastes, which are unpredictable and susceptible to change, and may also be significantly affected by the number and popularity of competitive productions, or events as well as other forms of entertainment. It is impossible for the Company to predict the success of any sports or entertainment event. In addition, decreased attendance, a change in public tastes or an increase in competition could have a material adverse effect on the Company.

Availability of Athletes, Artists and Events. The Company's ability to sell tickets (including subscriptions) is highly dependent on the availability of popular athletes, artists and events. There can be no assurance that popular athletes, artists and events will be available to the Company in the future, or will be available on terms acceptable to the Company. The lack of availability of these artists and productions could have a material adverse effect on the Company's results of operations and financial condition.

Control of Venue. Because the Company will operate its live entertainment events under leasing or booking agreements with venues, its long-term success will depend upon its ability to renew these agreements upon their expiration or termination. There can be no assurance that the Company will be able to renew these agreements on acceptable terms or at all, or that it will be able to obtain attractive agreements with substitute venues.

Need for Additional Financing. To date, the Company has funded its business plan through event revenue, loans from founders and sale of its Common Stock to investors. The implementation of the Company's business plan will require additional financing. Funds will be required to fund targeted acquisitions and their integration into the Company. Based on market conditions at the time, the Company may be unable to obtain sufficient additional financing on favorable terms, or at all. If it raises additional funds by selling its equity securities, the relative ownership of its existing investors will be diluted or the new investors could obtain terms more favorable than those of its existing investors. If it raises additional funds through debt financing, it could incur significant borrowing costs as well as face the possibility of default of the Company if it is unable to repay the financing. If it cannot obtain sufficient financing, it may have to delay, reduce or eliminate its marketing and promotion campaign, which could significantly limit its revenues.

Competition. Competition in the live entertainment industry is intense, and competition is fragmented among a wide variety of entities. In addition, television, movies, internet and other non-live events compete for the time and attention for potential attendees for live events. The Company intends to compete on a local, regional and national basis with large venue owners and entertainment promoters for the hosting, booking, promoting and producing of live entertainment events. Moreover, the Company's marketing and consulting operations will compete with advertising agencies and other marketing organizations. The Company will compete not only with other live entertainment events, including sporting events and theatrical presentations, but also with non-live forms of entertainment, such as television, radio and motion pictures. The Company's competitors have substantially greater resources than the Company. Certain of the Company's competitors may also operate on a less leveraged basis, and have greater operating and financial flexibility than the Company. In addition, many of these competitors have long standing relationships with performers, producers, and promoters and may offer other services that are not provided by the Company. There can be no assurance that the Company will be able to compete successfully in this market or against these competitors.

Government Regulation. The ability to conduct live entertainment events is subject to extensive local, state and federal governmental licensing, approval and permit requirements, including, among other things, approvals of state and local land-use and environmental authorities, building permits, zoning permits and liquor licenses. Significant acquisitions may also be subject to the requirements of the Hart-Scott-Rodino Act or other antitrust laws or regulations. Other types of licenses, approvals and permits from governmental or quasi-governmental agencies may also be required for other opportunities that the Company may pursue in the future, although the Company has no agreements or understandings with respect to these opportunities at this time. In addition, the Stratus credit card operates in a highly regulated and controlled market. The Company uses a large, established commercial bank to run its credit card processing and payments, but there can be no assurance that the Company may not be subject to current or future rules or regulations that could adversely affect its ability to operate the Stratus card in the manner intended or to achieve the results expected. There can be no assurance that the Company will be able to obtain the licenses, approvals and permits it may require from time to time in order to operate its business.

Cash Nature and Remote Locations of Events. Live entertainment events are conducted in numerous locations and often involve significant cash collections for tickets, concessions, merchandise, etc. The Company has developed and will continue to develop controls and procedures to control cash, to monitor cash proceeds, and to ensure that it is collected and deposited properly, however there can be no assurance that all cash proceeds at an event will be deposited properly into the Company accounts.

Risks of International Operations. The Company's existing portfolio of events is currently all conducted in the U.S., but the Company is investigating the purchase of events outside the U.S. To the extent that the Company operates outside the U.S., it will be subject to the laws and regulations of the countries in which it is operating. Such laws and regulations could adversely affect the Company's ability to conduct its operations in such countries and/or adversely affect its ability to bring the cash generated outside the U.S. back into the U.S. to fund other Company operations.

Reestablishing Events. The Company has spent the past years acquiring events and operations in order to reestablish those events with sufficient critical mass to afford economies of scale in operations. While the Company believes that the nature of the event business allows for events to be readily reestablished and that it has the experience and management expertise to re-establish those events, there can be no assurance that such events will be successfully reestablished. The Company believes that it has full ownership of these events and related intellectual property, but there can be no assurance that unknown or unforeseen claims will not arise after successful reestablishment of such events.

Bank Sponsorship of Visa Card Operations. A contractual relationship with a sponsoring bank is necessary for the Company to conduct its Stratus Rewards operations. The Company is ending it relationship with its current bank that was limited to U.S. operations and is negotiating a new relationship with a larger bank that can support international operations. While the Company believes that these negotiations will be successful and this contractual relationship will be established, there can be no assurance that this relationship will be established.

Dependence on Key Personnel. The Company is dependent on its present employees and advisors, especially Paul Feller. A key employee may terminate his employment with the Company at any time without penalty. The loss of the services of a key employee could seriously impair the Company's ability to operate and improve its events portfolio, which could reduce its revenues. In order to achieve its business objective, the Company must hire additional personnel to fill key managerial positions. The Company's future success will depend upon the ability of its executive officers to establish clear lines of responsibility and authority, to work effectively as a team and to gain the trust and confidence of its employees. The Company must also identify, attract, train, motivate and retain other highly skilled, technical, managerial, merchandising, engineering, accounting, marketing and customer service personnel.

No Assurance of Dividends. At the present time, the Company intends to reinvest cash generated from operations into expansion of operations and does not intend to pay dividends. The Company will periodically evaluate the best means to bring value to shareholders and such evaluations could result in a continuation of this policy. Investors should look to the growth in value as the primary means of realizing a return on their investment and should not look to dividends for a return. There can be no assurance that the proposed operations of the Company will result in sufficient revenues to enable the Company to operate at profitable levels or to generate a positive cash flow. Any delay in the successful execution of the Company's operations of or the acquisition and marketing strategies could delay the payment of dividends for an undetermined amount of time.

Limited Transferability. There is no public market for the Common Stock of Feris. There is no assurance that a regular public market for the Common Stock will develop or, if a regular public market does develop, that it will continue.

THE FOREGOING IS A SUMMARY OF SOME OF THE MORE SIGNIFICANT RISKS RELATING TO INVESTMENT IN THE COMPANY. THE FOREGOING SHOULD NOT BE INTERPRETED AS A REPRESENTATION THAT THE MATTERS REFERRED TO HEREIN ARE THE ONLY RISKS INVOLVED IN THIS INVESTMENT, NEITHER THE REFERENCE TO THE RISKS INVOLVED IN THIS INVESTMENT, NOR THE REFERENCE TO THE RISKS HEREIN SHOULD BE DEEMED A REPRESENTATION THAT SUCH RISKS ARE OF EQUAL MAGNITUDE. PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN ADVISORS AS TO THE INVESTMENT AND ANY TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY.

DIVIDEND POLICY

PSEI has never declared or paid cash dividends on shares of our common stock. We currently intend to retain all of our earnings to finance the development and expansion of our business and therefore do not intend to declare or pay cash dividends on our common stock in the foreseeable future. Any future declaration and payment of dividends will be subject to the discretion of our board of directors, will be subject to applicable law and will depend upon our results of operations, earnings, financial condition, contractual limitations, cash requirements, future prospects and other factors deemed relevant by our board of directors.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Form contains forward-looking statements that involve risks and uncertainties. These statements relate to future events or our future financial performance and include statements about our plans, objectives, products and services as well as our expectations and intentions. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of such terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks outlined under “Risk Factors,” that may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels or activity, performance or achievements expressed or implied by any forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of this Form 8-K to conform these statements to actual results.

Management Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of the financial condition and results of operations of the Company should be read in conjunction with the consolidated financial statements and related notes thereto included in this Memorandum. The following discussion contains certain forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those discussed herein. Factors that could cause or contribute to the differences are discussed in "Risk Factors" and elsewhere in this Prospectus. The Company undertakes no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances.

Results of Operations for the Ten Months Ended October 31, 2007 Compared With the Prior Year

Revenues: Revenues for the Ten Months ended October 31, 2007 ("Current Period") were $301,310, a decrease of $20,957, or 7%, from the $322,267 in revenues realized for the ten months ended October 31, 2006 ("Prior Period"). There were $129,259 of event revenues in the Current Period, which was an increase of $129,259 compared to $0 in the Prior Year. Stratus card revenues were $172,051 in the Current Period, a decrease of $150,216, or 47%, from the Prior Period. The bank providing support for the Stratus card operations restricted the addition of new members and provided a lower level of service to existing members, resulting in declines in revenues from membership fees and from the Company's share of fees related to purchase volume on the card. The Company is currently arranging for a new bank to provide support for the Stratus card operations

Cost of Goods Sold/Gross Margin: Cost of Goods Sold was $77,103 in the Current Period, an increase of $77,103 from $0 in the Prior Period. Cost of Goods Sold for events was $77,103, a increase of $77,103 from $0 in the Prior Period, resulting in a gross margin of $52,156, or 40.3%, on event revenues of $129,259 Cost of Goods Sold for Stratus was $0 in both the Current Period and the Prior Period since the Company receives its revenues from the sponsoring bank on a net basis without offsetting fees.

Operating Expenses: Overall operating expenses for the Current Period were $991,364, an increase of $138,436, or 16%, from $852,928 in the Prior Period. General and administrative expenses of $516,019 increased by $61,967, or 14%, from $454,052 in the Prior Period related to higher staffing levels in the Current Period. Legal and professional services of $$426,863 increased by $76,334, or 22%, from $350,519 in the Prior Period, related to increased use of sales and marketing consultants in the Current Period. Depreciation and amortization remained consistent with $48,482 for the Current Period and $48,357 for the Prior Period.

Other income/(expenses): Other income/(expense) was a net expense of $147,995 in the Current Period, an increase of $15,650, or 12%, from a net expense of $132,345 in the Prior Period. Interest expense was $169,636 in the Current Period, an increase of $53,837, or 46%, from $115,799 in the Prior Period, primarily related to higher average debt levels in the Current Period. Other income was $21,641 in the Current Period, an increase of $38,187, or 231%, from a net other expense of $16,546 related to accounting adjustments related to the Stratus redemption program to reflect the proper balances.

Results of Operations for the Year Ended December 31, 2006 Compared With the Prior Year

Revenues: Revenues for the Year Ended December 31, 2006 were $371,739, an increase of $135,982, or 58%, from the $235,757 in revenues realized for the Year Ended December 31, 2005 ("Prior Year"). There were no event revenues in the Current Year, which was a decrease of $89,876, or 100%, compared to $89,876 in the Prior Year. Stratus card revenues were $371,739 in the Current Year, an increase of $225,858, or 155%, from the prior year. The Stratus card operations were purchased in August 2005, and the increase in revenues in the Current Year was largely related to the inclusion of five months of operations for the Prior Year and twelve months for the Current Year.

Cost of Goods Sold/Gross Margin: Cost of Goods Sold were $0 in the Current Year, a decrease of $530,374, or 100%, from $530,374 in the Prior Year. This decrease was related to the decline in event revenues. Cost of Goods Sold for Stratus was $0 in both the Current Year and the Prior Year since the Company receives its revenues from the sponsoring bank on a net basis without offsetting fees.

Operating Expenses: Overall operating expenses for the Current Year were $1,102,623, a decrease of $326,900, or 23%, from $1,429,523 in the Prior Year. This decrease was related to $356,250 in legal judgment expense incurred in the Prior Year with $0 incurred in the Current Year. A decline of $88,830, or 13%, to $572,627 in General and Administrative expenses was offset by an increase of $83,370, or 22%, to $471,967 in legal and professional services, and an increase of $34,810,or 150%, in depreciation and amortization expense, related to a full year of depreciation and amortization for Stratus assets in the Current Year, versus five months in the Prior Year.

Other income/(expenses): Other income/(expense) was a net expense of $9,816 in the Current Year, a decrease of $103,074, or 91%, from a net expense of $112,890 in the Prior Year. Interest expense was $137,870 in the Current Year, an increase of $24,980, or 22%, from $112,890 in the Prior Year. This increase was related to debt levels being on the books for a full year in 2006 and less than a full year in 2005, when several debt instruments were set up in the first quarter of that year. Other income was $128,054 in the Current Year, related to the reversal of an accrued expense that the Company believed will no longer be incurred, and was $0 in the Prior Year.

Liquidity and Capital Resources

Cash Flows

Net cash used by operations was $203,411 for the Ten Months Ended October 31, 2007, primarily related to the net loss of $915,152 being offset by $711,741 in positive working capital adjustments, primarily $274,372 increase in accounts payable, $200,000 in deferred salary by the Company's president and $141,195 in accrued interest. There were no cash flows from investing activities during this period and cash needs were met with $459,500 from the sale of common stock, partially offset by $124,974 to pay down loans to shareholders.

Net cash used by operations was $225,471 for the Ten Months Ended October 31, 2006, primarily by the net loss of $663,006 being offset by $413,612 in positive working capital adjustments, primarily $200,000 in deferred salary by the Company's president and $86,436 in accrued interest. There were no cash flows from investing activities during this period and cash needs were met with $335,000 from the sale of common stock, partially offset by $132,802 to pay down loans to shareholders.

Net cash used by operations was $424,937 for the Current Year, primarily by the net loss of $740,700 being offset by $270,353 in positive working capital adjustments, primarily $240,000 in deferred salary by the Company's president. There were no cash flows from investing activities during the Current Year and cash needs were met with an increase of $18,636 in loans from shareholders, $335,000 from the sale of stock, and a temporary $60,880 overdraft on December 31, 2006.

Liquidity Requirements and Outlook

The Company requires outside funding to develop its current portfolio or events, acquire new events and develop its Stratus card business and to continue operations. Even in the absence of acquisitions, cash will be required for the Company to develop an infrastructure and re-launch its current portfolio of events. This offering should be sufficient for the Company to initiate its acquisition program if the maximum offering is achieved, but additional capital will be required to complete this program.

The Company had a line of credit with Wells Fargo Bank that is inactive and is being paid down. This line of credit carries a variable interest rate based on the prime rate plus a 0.75% spread per annum.

The balance outstanding at October 31, 2007 was $68,041. There can be no assurances that the Company will be able to utilize this facility or any credit facilities as a source of capital for future expansion.

MANAGEMENT AND BOARD OF DIRECTORS

The following table sets forth certain information regarding the executive officers, directors and advisors of the Company:

NAME	POSITION(S) HELD WITH PSEI	AGE
Paul H. Feller	Director, President, Chief Executive Officer And Executive Chairman and Member of the Office of the Chairman	43
John Moynahan (1)	Director, Vice President and Chief Financial Officer and Member of the Office of the Chairman	50
Bradley Birkenfeld	Director	44

(1) CFO working as a consultant pending the completion of Employment Agreement and approval of the Board of Directors**.**

Management Biographies

Paul Feller, President and CEO - Mr. Feller has been involved with the management of live entertainment events for over 15 years. He has been the President & CEO of Pro Sports & Entertainment, Inc. since November 1998 except during the period commencing February 2002 to November of 2004 when he left to work on his MBA at Pepperdine University. Prior to founding Pro Sports & Entertainment, he served as COO and CEO of PSI, an international live entertainment business which operated sports events in Asia, Europe and North America. Mr. Feller had responsibility for developing PSI's new markets in China and the US. He negotiated agency rights and agreements with the America's Cup syndicate, Professional Volleyball Tour, Disney's Freedom Bowl, Andretti Indy Racing Team, Long Beach Marathon, and both the Vancouver Open and ATP Shanghai Open Tennis Tournaments. As head of PSI's Asia division, Mr. Feller managed a $35 million revenue operation, and developed agreements with STAR Television and China's CCTV and operated the first international professional soccer tournament in China. He has been a member of the Los Angeles Sports Council, Orange County Sports Council, Asia International Business and Entertainment Association, US Professional Cycling Association, and the UK Professional Cycling Association. Prior to PSI, Mr. Feller was a vice president of marketing and sales with Osborne Computer Corporation and a senior engineer with McDonnell Douglas. He attended Purdue University in Mechanical Engineering and has taken a hiatus from completing his Juris Doctorate from Columbus University Law School while completing his MBA at Pepperdine University.

John Moynahan, Senior Vice President and Chief Financial Officer (Consultant) - With over 28 years of business experience, Mr. Moynahan has been a treasurer for four years and CFO for 13 years of publicly-traded companies ranging from development stage to a billion dollars in annual revenues. During this span, Mr. Moynahan has been responsible for SEC reporting and compliance, successfully executed an IPO, completed over $500 million in debt financings, over $120 million in equity financings, and investigated and closed acquisitions with companies such as Fischer Scientific Group, Card Systems Solutions, Inc., Innovative Technology Applications, Inc., and Xybernaut Corporation. Mr. Moynahan was the President of Novastar Group, Inc. from June 2006 May 2007 - Senior Vice President and Chief Financial Officer of Xybernaut Corporation from November 2005 to June 2006, its Executive Vice President, Educational Products November 2002 to February 2003, Its Senior Vice President and Chief Financial Officer from April 1999 to November 2002 ad the Vice President of Finance and Corporate Development of Innovative Technology Application Inc. from May 2004 to October 2005. Mr. Moynahan received a B.A. from Colgate University, where he was elected to the Phi Beta Kappa honor society, an M.B.A from New York University and a C.P.A. from New York State. Mr. Moynahan is also a co-inventor on five issued U.S. patents and over 100 corresponding international patents

BOARD OF DIRECTORS

Brad Birkenfeld, Partner, Chairman Wealth Management of Union Charter - Mr. Birkenfeld brings to PSEI more than two decades of experience in Financial Advisory, Investment Banking, and Private Banking. From 2002 - 2006, he was the Director of Key Clients for UBS Geneva. In 2006, He joined Union Charter as Chairman and Wealth Manager. He effectively managed positions as Director Key Clients - Wealth Management, Senior Private Banker, and as Financial Advisor for some of the world's leading private banking firms including UBS, Barclays Bank, and Credit Suisse. Mr. Birkenfeld began his financial career at State Street Bank and Trust Company in Massachusetts where he served as an Investment Analyst managing a currency hedging program for 20 institutional portfolios, as well as FOREX trading for 90 portfolios with a net asset value of $30 billion. Mr. Birkenfeld is a visiting lecturer at the International Institute for Management Development - IMD, Lausanne Switzerland, as well as at The American Graduate School of International Management, Thunderbird in Archamps, France. He received his Bachelor of Science in Economics from Norwich University, Military College of Vermont, and his Masters of International Business Administration from the American Graduate School of Business, Institute of Business Studies, Vevey Switzerland.

DIRECTORS AND EXECUTIVE OFFICERS

Pursuant to the Certificate of Incorporation and Bylaws, the Board manages the business of PSEI. The Board conducts its business through meetings of the Board and its committees. The standing committees of the Board are described below.

The Bylaws authorize the Board to fix the number of directors from time to time. The number of directors of PSEI is currently three. All directors hold office until the next annual meeting of stockholders following their election or until their successors are elected and qualified. Officers of PSEI are to be elected annually by the Board and serve at the Board's discretion.

COMPENSATION COMMITTEE

The Compensation Committee reviews and makes recommendations with respect to certain PSEI compensation programs and compensation arrangements for certain officers, including Messrs. Feller, Moynahan, and Roundtree. The members of the Compensation Committee will be designated and appointed at the next Board Meeting.

STOCK OPTION COMMITTEE

The Stock Option Committee grants options, determines which employees and other individuals performing substantial services to PSEI may be granted options and determines the rights and limitations of options granted under PSEI's plans. The members of the Stock Option Committee will be designated and appointed at the next Board Meeting.

EXECUTIVE COMPENSATION

PSEI did not pay any of its executive officers any compensation for the fiscal year ended December 31, 2007.

Employment Agreements

The Company entered into an employment agreement dated January 1, 2007 with Paul Feller, the Company's Chief Executive Officer. Under the agreement, Mr. Feller's annual salary may not be less than $240,000. The agreement further provides that Mr. Feller is entitled to receive one-time bonuses of $250,000 in the event of a Valuing Event that causes the Company to be valued in excess of $100,000,000; and an additional bonus of $500,000 shall be paid in the event of a valuing event that causes the Company to be valued in excess of $250,000,000. The Agreement further provides that Mr. Feller will receive annual stock options as approved by the Board of Directors. The exercise price for options shall be eighty percent (80%) of the per share value of Company's common stock at the time of the applicable acquisition or financing as determined by reference to the Company's public trading price, if any, or, if no public trading market exists, the per share valuation of the Company made in connection with the acquisition or financing or, if no such valuation exists, the per share value of the Company as determined in good faith by the Company's Board of Directors. Each of the options granted shall have a term of five years, shall vest in full upon grant; provided that such options shall terminate ninety (90) days after the Executive's employment with the Company is terminated if such termination is for Cause or is a the result of a resignation by Executive for reasons other than Good Reason. Such options shall not be assignable by Executive. Each option described above shall be subject to customary anti-dilution provision with respect to any stock splits, mergers, reorganizations or other such events. No such options have been granted to date.

The Company is in the process of an employment agreement with John Moynahan, the Company's Chief Financial Officer, pending which he is currently working on a consultancy basis. Under the proposed agreement, Mr. Moynahan annual salary may not be less than $200,000. The Agreement further provides that Mr. Moynahan will receive annual stock options as approved by the Board of Directors. The exercise price for options shall be the per share value of Company's common stock at the time of the applicable acquisition or financing as determined by reference to the Company's public trading price, if any, or, if no public trading market exists, the per share valuation of the Company made in connection with the acquisition or financing or, if no such valuation exists, the per share value of the Company as determined in good faith by the Company's Board of Directors. Each of the options granted shall have a term of five years, shall vest in full upon grant; provided that such options shall terminate forty-five (45) days after the Executive's employment with the Company is terminated if such termination is for Cause or is a the result of a resignation by Executive for reasons other than Good Reason. Such options shall not be assignable by Executive. Each option described above shall be subject to customary anti-dilution provision with respect to any stock splits, mergers, reorganizations or other such events. No such options have been granted to date.

Indemnification of Officers and Directors

Under its Corporate By-laws, the Company may indemnify officers and directors against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlements and reasonably incurred in connection with legal, administrative or investigative proceedings any person who is or was a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director, an officer or liquidator of the Company, or is or was, at the request of the Company serving as an officer, director or liquidator of, or in any other capacity is, or was acting for, another company or partnership, joint venture, trust or other enterprise. The Company may only indemnify a person if the person acted honestly and in good faith with a view to the best interests of the Company, and in the case of criminal proceedings, the persona had no reasonable cause to believe that his or her conduct was unlawful. This indemnification may be available for liabilities arising in connection with this offering. The Articles of Incorporation also provide that the Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, or liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability.

The Company has executed Indemnification Agreements with its officers and directors, so as to provide them with the maximum protection permitted by law. The Company has agreed to indemnify its officers and directors against third party proceedings, proceedings by or in the right of the Company, expenses of a successful party, advances of expenses, indemnification upon or advance of application, and partial indemnification of expenses, judgments, fines or penalties under the governing laws of California and elsewhere.

Stock Compensation Program

The Company is intending to adopt, but has not yet completed its Stock Compensation Program (the "Stock Compensation Program"). This program is intended to provide key employees, vendors, directors, consultants and other key contributors to Company growth an opportunity to participate in the Company's success. It is estimated that 15% of total shares outstanding will be authorized in options and reserved for this program. Awards under the program may be made in the form of incentive stock options, nonqualified stock options, restricted shares, rights to purchase shares under a employee stock plan, grants of options to non-employee directors, and or other specified stock rights as defined under the plan. PSEI, subject to Shareholder approval, plans to adopt a new stock option plan that will be submitted to vote of shareholders at PSEI's annual meeting scheduled to be held in 2008.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information, as of March 10, 2008 with respect to the beneficial ownership of the Company's outstanding common stock by (i) any holder of more than five (5%) percent; (ii) each of the named executive officers, directors and director nominees; and (iii) our directors, director nominees and named executive officers as a group. Except as otherwise indicated, each of the stockholders listed below has sole voting and investment power over the shares beneficially owned.

Name of Beneficial Owner	Common Stock Beneficially Owned	Percent of Common Stock Beneficially Owned (2)
Paul Feller	24,255,000	44%
Ralph Feller	9,405,000	17%
John Moynahan (1)	1,485,000	2.7%
Bradley Birkenfeld	495,000	.9%
All officers and directors as a group (3 persons)	26,235,000	47.7%

* Less than one percent.

(1) CFO working as a consultant pending the completion of Employee Agreement and approval of the Board of Directors.

(2) Beneficial ownership percentages gives effect to the completion of the Exchange, and are calculated based on shares of common stock issued and outstanding (55,000,000). Beneficial ownership is determined in accordance with Rule 13d-3 of the Exchange Act. The number of shares beneficially owned by a person includes shares of common stock underlying options or warrants held by that person that are currently exercisable or exercisable within 60 days of March 10, 2008. The shares issuable pursuant to the exercise of those options or warrants are deemed outstanding for computing the percentage ownership of the person holding those options and warrants but are not deemed outstanding for the purposes of computing the percentage ownership of any other person. The persons and entities named in the table have sole voting and sole investment power with respect to the shares set forth opposite that person's name, subject to community property laws, where applicable, unless otherwise noted in the applicable footnote.

Item 5.01. Changes in Control of Registrant

See Item 2.01 above.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

Immediately following the completion of the Exchange, Patty Linson, the existing director and executive officer resigned and Paul Feller and Bradley Birkenfeld were elected to the Board and Mr. Feller was appointed as the Company's Chief Executive Officer.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statement of Businesses Acquired.

Attached hereto

(b) Pro Forma Financial Information.

Attached hereto

(d) Exhibits.

Exhibit No.	Description
10.1	Agreement and Plan of Merger dated as of August 20, 2007
10.2	Amendment to Agreement and Plan of Merger dated as of March 10, 2008
10.3	Employment Agreement dated January 1, 2007 between Pro Sports Entertainment, Inc. and Paul Feller

SIGNATURES

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

FERIS INTERNATIONAL, INC.

Date: March 14, 2008

By: /s/ Paul Feller

Paul Feller, Chairman of the Board and Chief Executive Officer (principal executive officer)

EXHIBIT INDEX

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PRO SPORTS & ENTERTAINMENT, INC.

FINANCIAL STATEMENTS

Years ended December 31, 2006 and 2005
Ten Months Ended October 31, 2007 and 2006 (unaudited)

PRO SPORTS & ENTERTAINMENT, INC.

Years Ended December 31, 2006 and 2005
Ten Months Ended October 31, 2007 and 2006 (Unaudited)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Pro Sports & Entertainment, Inc.
Los Angeles, California

We have audited the accompanying balance sheets of Pro Sports & Entertainment, Inc. (the "Company") as of December 31, 2006 and 2005, and the related statements of operations, shareholder's equity/(deficit) and cash flows for each of the two years in the period ended December 31, 2006. 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 audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provided 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 Pro Sports & Entertainment, Inc. as of December 31, 2006 and 2005, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2006 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses and has negative cash flow from operations. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in note 3 to the financial statements, the Company adopted Statement of Financial Accounting Standards No. 123R, "Share Based Payments," effective January 1, 2006.

/s/ Singer Lewak Greenbaum & Goldstein LLP
SINGER LEWAK GREENBAUM & GOLDSTEIN LLP

Los Angeles, California

March 12, 2008

PRO SPORTS & ENTERTAINMENT, INC.
BALANCE SHEETS

	December 31, 2006	December 31, 2005	October 31, 2007 (unaudited)
ASSETS			
Current assets			
Cash	$ -	$ 15,586	$ 128,545
Restricted cash	365,689	464,378	162,855
Receivables	12,778	27,499	0
Deposits and prepaid expenses	17,915	11,947	14,915
Inventory	9,483	9,483	9,483
Total current assets	**405,865**	**528,893**	**315,798**
Property and equipment, net	25,530	38,149	15,016
Intangible assets, net	4,474,408	4,519,818	4,421,266
Goodwill	2,073,345	2,073,345	2,073,345
Total assets	**$ 6,979,148**	**$ 7,160,205**	**$ 6,825,425**
LIABILITIES AND SHAREHOLDERS' EQUITY / (DEFICIT)			
Current liabilities			
Bank overdraft	$ 66,980	$ 6,100	$ 92,928
Accounts Payable	908,586	831,414	1,182,959
Deferred salary	1,305,512	1,065,512	1,505,512
Accrued interest	527,523	395,092	668,718
Accrued expenses - legal judgment	365,579	365,579	365,579
Other accrued expenses and other liabilities	380,073	514,619	468,634
Line of credit	70,611	75,776	68,041
Loans payable to shareholders	905,085	886,450	780,111
Current portion of notes payable - related parties	90,000	90,000	90,000
Note payable	125,000	125,000	125,000
Event acquisition liabilities	1,153,761	1,153,761	1,153,761
Deferred revenue	102,475	165,309	24,385
Redemption fund reserve	346,806	482,647	124,293
Total current liabilities	**6,347,992**	**6,157,259**	**6,649,921**
Non-current liabilities			
Non-current portion of notes payable - related parties	**1,000,000**	**1,000,000**	**1,000,000**
Total liabilities	**7,347,992**	**7,157,259**	**7,649,921**
Commitments and contingencies			
Shareholders' equity / (deficit)			
Preferred stock, $0.01 par value:			
5,000,000 shares authorized			
0, 0 and 0 shares issued and outstanding, respectively	0	0	0
Common stock, $0.01 par value:			
45,000,000 shares authorized-13,575,541, 13,384,359			
and 13,728,708(unaudited) shares issued and outstanding	135,756	133,844	137,287
Additional paid-in capital	9,403,544	9,036,546	9,861,513
Accumulated deficit	(9,908,144)	(9,167,444)	(10,823,296)
Total shareholders' equity / (deficit)	**(368,844)**	**2,946**	**(824,496)**
Total liabilities and shareholders' equity / (deficit)	**$ 6,979,148**	**$ 7,160,205**	**$ 6,825,425**

The accompanying notes are an integral part of these financial statements

PRO SPORTS & ENTERTAINMENT, INC.
STATEMENTS OF OPERATIONS

	Year ended December 31, 2006	Year ended December 31, 2005	Ten months ended October 31, 2007 (unaudited)	Ten months ended October 31, 2006 (unaudited)
Net revenues				
Event revenues	$ -	$ 89,876	$ 129,259	$ -
Stratus revenues	380,989	153,436	172,051	322,267
Total revenues	**380,989**	**243,312**	**301,310**	**322,267**
Cost of goods sold				
Event cost of goods sold	-	530,374	77,103	-
Stratus cost of goods sold	9,250	7,555	-	-
Total cost of goods sold	**-**	**537,929**	**77,103**	-
Gross profit / (loss)	**371,739**	**(294,617)**	**224,207**	**322,267**
Operating expenses				
General and administrative	572,627	661,457	516,019	454,052
Legal and professional services	471,967	388,597	426,863	350,519
Depreciation and amortization	58,029	23,219	48,482	48,357
Legal judgment	-	356,250	-	-
Total operating expenses	**1,102,623**	**1,429,523**	**991,364**	**852,928**
Loss from operations	**(730,884)**	**(1,724,140)**	**(767,157)**	**(530,661)**
Other income/(expenses)				
Other Income/(Expense)	128,054	-	21,641	(16,546)
Interest expense	(137,870)	(112,890)	(169,636)	(115,799)
Total other expenses	**(9,816)**	**(112,890)**	**(147,995)**	**(132,345)**
Net loss	**$ (740,700)**	**$ (1,837,030)**	**$ (915,152)**	**$ (663,006)**
Basic and diluted earnings per share	**$ (0.05)**	**$ (0.14)**	**$ (0.07)**	**$ (0.05)**
Basic and diluted weighted-average common shares	**13,501,724**	**12,946,224**	**13,668,224**	**13,486,908**

The accompanying notes are an integral part of these financial statements

PRO SPORTS & ENTERTAINMENT, INC.
STATEMENTS OF SHAREHOLDERS' DEFICIT

	Common Stock		Additional Paid-In	Accumulated	
	Shares	**Amount**	**Capital**	**Deficit**	**Total**
Balance at December 31, 2004	12,494,639	**$ 124,946**	**$ 6,764,679**	**$ (7,330,414)**	**$ (440,789)**
Issuance of common stock for cash	223,053	2,231	181,019		**183,250**
Issuance of common stock for Stratus acquisition	666,667	6,667	1,993,333		**2,000,000**
Value of stock options granted to consultants for services			97,515		**97,515**
Net loss				(1,837,030)	**(1,837,030)**
Balance at December 31, 2005	13,384,359	**133,844**	**9,036,546**	**(9,167,444)**	**2,946**
Issuance of common stock for cash	191,182	1,912	333,088		**335,000**
Value of stock options granted to consultants for services			33,910		**33,910**
Net loss				(740,700)	**(740,700)**
Balance at December 31, 2006	13,575,541	**$ 135,756**	**$ 9,403,544**	**$ (9,908,144)**	**$ (368,844)**
Issuance of common stock for cash	153,157	1,531	457,969		**459,500**
Offering cost related to issuance of common stock settled in stock options				-	-
Net loss				(915,152)	**(915,152)**
Balance at October 31, 2007 (Unaudited)	13,728,708	**$ 137,287**	**$ 9,861,513**	**$ (10,823,29)**	**$ (824,496)**

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

PRO SPORTS & ENTERTAINMENT, INC.
STATEMENTS OF CASH FLOWS

	Year ended December 31, 2006	Year ended December 31, 2005	Ten months ended October 31, 2007 (unaudited)	Ten months ended October 31, 2006 (unaudited)
Cash flows from operating activities:				
Net loss	**$ (740,700)**	**$ (1,837,030)**	**$ (915,152)**	**$ (663,006)**
Adjustments to reconcile net loss to net cash provided by/(used in) operating activities:				
Depreciation and amortization	58,029	23,219	48,482	48,357
Stock option compensation expense	33,910	97,515	-	33,910
Gain recognized on payables written off	(155,054)	-	-	-
Accretion of warrants liability	5,437	3,113	-	5,438
(Increase) / decrease in:				
Receivables	14,721	(27,499)	12,778	24,904
Deposits and prepaid expenses	(5,968)	98,053	3,000	(3,212)
Increase / (decrease) in:				
Accounts payable	77,172	51,944	274,372	54,974
Deferred salary	240,000	234,231	200,000	200,000
Accrued interest	132,431	112,889	141,195	110,359
Accrued expenses - legal judgment	-	356,250	-	-
Other accrued expenses and other liabilities	15,071	300,774	88,561	(35,606)
Deferred revenue	(62,834)	165,308	(78,090)	(68,455)
Redemption fund reserve	(37,152)	18,270	21,443	66,866
Net cash provided by/(used in) operating activities	**(424,937)**	**(402,963)**	**(203,411)**	**(225,471)**
Cash flows from investing activities:				
Purchase of events	-	(15,000)	-	-
Net cash used in investing activities	**-**	**(15,000)**	**-**	**-**
Cash flows from financing activities:				
Proceeds from bank overdraft	60,890	6,100	-	15,873
Proceeds/(payments) of line of credit	(5,165)	15,292	(2,570)	(5,165)
Proceeds/(payments) - loans payable to shareholders	18,636	12,986	(124,974)	(132,802)
Proceeds from notes payable-related parties (current)	-	90,000	-	-
Proceeds from note payable (current)	-	125,000	-	-
Proceeds from issuance of common stock for cash	335,000	183,250	459,500	335,000
Net cash provided by financing activities	**409,351**	**432,628**	**331,956**	**212,906**
Net change in cash and cash equivalents	**(15,586)**	**14,665**	**128,545**	**(12,565)**
Cash and cash equivalents, beginning of period	**15,586**	**921**	**-**	**15,586**
Cash and cash equivalents, end of period	**$ -**	**$ 15,586**	**$ 128,545**	**$ 3,021**
Supplemental disclosures of cash flow information:				
Liabilities assumed as part of event acquisitions	**$ -**	**$ 240,000**	**$ -**	**$ -**
Stock issuance related to acquisition of Stratus	**$ -**	**$ 2,000,000**	**$ -**	**$ -**
Note payable for acquisition of Stratus	**$ -**	**$ 1,000,000**	**$ -**	**$ -**

The accompanying notes are an integral part of these financial statements

PRO SPORTS & ENTERTAINMENT, INC.
STRATUS ENTERTAINMENT, INC.
PRO FORMA COMBINED BALANCE SHEET

	As of October 31, 2007 (Unaudited)				
	Pro Sports	Feris International	Adjustments		Pro Forma
ASSETS					
Current assets					
Cash and cash equivalents	$ 128,545	$ -	$ -		$ 128,545
Restricted cash	162,855	-	-		162,855
Receivables	0	-	-		-
Deposits and prepaid expenses	14,915	-	-		14,915
Inventory	9,483	-	-		9,483
Total current assets	**315,798**	-	-		**315,798**
Property and equipment, net	15,016	-	-		15,016
Intangible assets, net	4,421,266	-	-		4,421,266
Goodwill	2,073,345	-	-		2,073,345
Total assets	**$ 6,825,425**	**$ -**	**$ -**		**$ 6,825,425**
LIABILITIES AND SHAREHOLDERS' EQUITY / (DEFICIT)					
Current liabilities					
Bank overdraft	$ 92,928	$ -	$ -		92,928
Accounts payable	1,182,959	-	-		1,182,959
Deferred salary	1,505,512	32,400	28,800	(a)	1,566,712
Accrued interest	668,718	13,821	-		682,539
Accrued expenses - legal judgment	365,579	-	-		365,579
Other accrued expenses and other liabilities	468,634	82,500	-		551,134
Line of credit	68,041	-	-		68,041
Loans and accounts payable to shareholders and related parties	780,111	-	-		780,111
Current portion of notes payable - related parties	90,000	-	-		90,000
Note payable	125,000	75,000	(75,000)	(b)	125,000
Event acquisition liabilities	1,153,761	-	-		1,153,761
Deferred revenue	24,385	-	-		24,385
Redemption fund reserve	124,293	-	-		124,293
Total current liabilities	**6,649,921**	**203,721**	**(46,200)**		**6,807,442**
Non-current liabilities					
Non-current portion of notes payable - related parties	**1,000,000**	-	-		**1,000,000**
Total liabilities	**7,649,921**	**203,721**	**(46,200)**		**7,807,442**
Commitments and contingencies					
Shareholders' equity / (deficit)					
Preferred stock, $0.0001 par value:	-	-	-		-
5,000,000 shares authorized					
0 shares issued and outstanding					
Common stock, $0.001 par value:	137,287	243	(137,372)	(c)	5,500
200,000,000 shares authorized			5,342	(b)	
55,000,000 shares issued and outstanding					
Additional paid-in capital	9,861,513	12,598,563	137,372	(c)	9,861,513
			69,658	(b)	
			(12,598,563)	(d)	
			(207,030)	(f)	
Accumulated deficit	(10,823,296)	(12,802,527)	12,598,563	(d)	(10,849,030)
			(28,800)	(a)	
			207,030	(f)	
Total shareholders' equity / (deficit)	**(824,496)**	**(203,721)**	**(132,030)**		**(982,017)**
Total liabilities and shareholders' equity / (deficit)	**$ 6,825,425**	**$ -**	**$ (178,230)**		**$ 6,825,425**

(a) To adjust for post-October 31, 2007 award of $28,800 to Custodian for Feris International

(b) Reflects conversion of Feris notes payable of $75,000 into 5,341,500 shares of common stock

(c) Adjustments to reflect 55,000,000 shares outstanding following the merger at par value of $0.001 per share

(d) Reverse Additional Paid-in Capital for Feris

(e) Adjustments to reflect 55,000,000 shares outstanding following the merger at par value of $0.001 per share

(f) To adjust pro-forma Additional Paid in Capital to the PSEI amount

PRO SPORTS & ENTERTAINMENT, INC.
STRATUS ENTERTAINMENT, INC.
PRO FORMA COMBINED STATEMENT OF OPERATIONS

	Ten Months Ended October 31, 2007 (Unaudited)				
	Pro Sports	Feris International	Adjustments		Pro Forma
Net revenues	$ 301,310	$ -	$ -		$ 301,310
Cost of goods sold	77,103	-	-		77,103
Gross profit / (loss)	**224,207**	-	-		**224,207**
Operating expenses					
General and administrative	516,019	55,800	28,800	(a)	600,619
Legal and professional services	426,863	-	-		426,863
Depreciation & amortization	48,482	-	-		48,482
Total operating expenses	**991,364**	**55,800**	**28,800**		**1,075,964**
Loss from operations	**(767,157)**	**(55,800)**	**(28,800)**		**(851,757)**
Other income/(expenses)					
Other income	21,641	-	(203,964)	(d)	24,707
			207,030	(f)	
Interest expense, net	(169,636)	(4,962)	-		(174,598)
Total other expenses	**(147,995)**	**(4,962)**	**3,066**		**(149,891)**
Net loss	**$ (915,152)**	**$ (60,762)**	**$ (25,734)**		**$ (1,001,648)**
Basic and diluted earnings per share	**$ (0.07)**	**$ (0.51)**	**$ -**		**$ (0.02)**
Basic and diluted weighted-average common shares	**13,668,224**	**118,500**	**41,213,276**	(b)	**55,000,000**

(a) To adjust for post-October 31, 2007 award of $28,800 to Custodian for Feris International

(b) To adjust weighted average common shares to the post-merger level of 55,000,000

(d) Non-cash net loss on reversing paid-in capital for Feris

(f) To adjust pro-forma Additional Paid in Capital to the PSEI amount

NOTE 1 - ORGANIZATION AND BUSINESS

Pro Sports & Entertainment, Inc. (the "Company"), a California corporation, was organized on November 23, 1998. The Company specializes in sports and entertainment events that it owns, operates, manages, markets and sells in national markets.

In August 2005 the Company acquired the business of Stratus Rewards ("Stratus"), an affiliate redemption credit card rewards program. Stratus is a private lifestyle club offering a unique luxury rewards redemption program, including private jet travel, premium travel opportunities, exclusive events and luxury merchandise.

The Company's name was changed from GMG Sports and Entertainment, Incorporated to Pro Sports & Entertainment, Inc. on March 23, 2000.

NOTE 2 - GOING CONCERN

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. For the years ended December 31, 2006 and 2005, the Company incurred net losses of $740,700 and $1,837,030 respectively, and for the ten months ended October 31, 2007 and 2006, the Company incurred net losses of $915,152 and $663,006, respectively. In addition, the Company had accumulated deficits of $9,908,144 and $9,167,444 as of December 31, 2006 and 2005, respectively, and accumulated deficits of $10,823,296 as of October 31, 2007.

The Company has raised $459,500 and $335,000 through the issuance of common stock during the ten months ended October 31, 2007 and 2006, respectively. The Company believes that sufficient sources of funds exist to cover working capital needs. Management expects that the Company can generate sufficient capital to fund its operations following its anticipated reverse merger (refer to Note 17), which would result in the Company being public and having access to the wider variety of financing sources available to public companies. In addition, management believes that event operations and the Stratus Rewards affiliate redemption credit card rewards program will generate positive cash flow in the near future.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements reflect the operating results and financial position of the Company in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Restricted Cash

A portion of each credit card transaction by a card member is deposited into a trust account. This account is used to fund the purchase of goods or services by the card member through redemption of purchasing points. If a card member cancels their card and leaves unclaimed redemption points, the Company is entitled to the cash equivalent of those unclaimed points. With that exception, the cash otherwise is earmarked for member benefits and is not available to the Company for use in operations.

The Company maintains its cash in an account with a major financial institution. Deposits with this financial institution may exceed the amounts of insurance provided on such deposits. The Company has not experienced any losses on its deposits of cash with this financial institution.

Inventory

Inventory consists of merchandise for sale at Company events. The Company regularly reviews its inventory quantities on hand and, if required, would record a provision for excess and obsolete inventory based on management's estimated forecast of future sales.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is provided using the straight-line method over estimated useful lives of three to five years.

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Accounting for Acquisitions

The acquisition of the business of Stratus has been accounted for under Statement of Financial Accounting Standards ("SFAS") No. 141, “Business Combinations.” Goodwill represents the excess of the purchase price of an acquisition over the fair market value of the net assets acquired.

Impairment of Long-Lived Assets

In accordance with SFAS No. 142, goodwill and other intangible assets are considered to have indefinite lives and are therefore no longer amortized, but rather are subject to annual impairment tests. In accordance with SFAS No. 142, the Company reviews the recoverability of the carrying value of goodwill and other intangible assets at least annually or whenever events or circumstances indicate a potential impairment. The Company’s annual impairment testing date is December 31. Recoverability of goodwill and other intangible assets is determined by comparing the fair value to the carrying value of the underlying net assets. If the fair value is determined to be less than the carrying value of its net assets, goodwill or other intangible assets are deemed impaired and an impairment loss is recognized to the extent that the carrying value exceeds the difference between the estimated fair value and the carrying value. Long-lived intangible assets that are determined to have fixed lives are amortized over a fixed period of time, generally ten years.

Revenue Recognition

Event revenue consists of ticket sales, participant entry fees, corporate sponsorships, advertising, television broadcast fees, athlete management, concession and merchandise sales, charity receipts, commissions and hospitality functions. The Company recognizes admissions and other event-related revenues when the events are held in accordance with Statement Accounting Bulletin (“SAB”) 104. Revenues received in advance and related direct expenses pertaining to specific events are deferred until the events are actually held.

Stratus Rewards, the Company’s affiliate redemption credit card rewards program, generates revenues from transaction fees generated by member purchases using the card, and membership fees. Revenue is recognized when transaction fees are received and membership fees are amortized and recognized ratably over the twelve-month membership period from the time of receipt. Revenue is also recognized from interest income earned on the redemption trust fund.

Income Taxes

The Company utilizes SFAS No. 109, "Accounting for Income Taxes," which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax payable for the period and the change during the period in deferred tax assets and liabilities.

As of December 31, 2006, the Company had a deferred tax asset of $4,104,897, that has been fully reserved and a net operating loss carryforward of $9,652,540 for Federal purposes. The Company will continue to monitor all available evidence and reassess the potential realization of its deferred tax assets. If the Company continues to meet its financial projections and improve its results of operations, or if circumstances otherwise change, it is possible that the Company may release all or a portion of its valuation allowance in the future. Any such release would result in recording a tax benefit that would increase net income in the period the valuation is released.

Fair Value of Financial Instruments

The Company's financial instruments include accounts payable, accrued expenses and other liabilities, a line of credit, notes payable - related parties, notes payable, event acquisition liabilities and redemption fund reserve. The book value of these financial instruments are representative of their fair values.

Stock-Based Compensation

For the year ended December 31, 2005 the Company accounted for stock-based awards to employees using the intrinsic value method in accordance with Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations. SFAS No. 123, "Accounting for Stock-Based Compensation," requires the disclosure of pro forma net income (loss) and income (loss) per share had the Company adopted the fair value method. Under SFAS No. 123, the fair value of stock-based awards to employees is calculated through the use of option pricing models, even though such models were developed to estimate the fair value of freely tradable, fully transferable options without vesting restrictions, which significantly differ from the Company's stock option awards. These models also require subjective assumptions, including future stock price volatility and expected time to exercise, which greatly affect the calculated values.

If the computed fair values of the awards granted in the year ended December 31, 2005 had been accounted for under SFAS No. 123, the pro forma net loss would have been as follows:

	Year Ended December 31, 2005
Net loss, as reported	$ 1,837,030
Less: Employee stock compensation expense under APB 25	-
Plus: Total stock-based employee compensation	250
Pro forma net loss	$ 1,837,280
Weighted average common shares outstanding, basic & diluted	12,946,224
Loss per common share:	
As reported	$ 0.14
Pro forma	$ 0.14

Stock-based awards to non-employees are calculated through the use of the Black-Scholes option-pricing model. This model requires subjective assumptions, including future stock price volatility and expected time to exercise, which greatly affect the calculated values. For options granted to consultants, the Company recognizes compensation expense based on the vesting terms of the stock option agreements.

Beginning in fiscal 2006, the Company has adopted FAS 123R, which requires the expensing of stock options issued to employees. Taking into account options issued and outstanding at December 31, 2005, the Company recorded no stock compensation expense in 2006.

The Company's calculations for these stock options granted to employees and non-employees were made using the Black-Scholes option-pricing model with the following weighted average assumptions:

	December 31,	
	2006	2005
Risk-free interest rate (range)	5.11% - 5.20%	3.21% - 3.86%
Expected life	1 - 2 years	2 - 3 years
Expected stock volatility	70%	71%
Expected dividends	0	0

Net Loss per Share

Pursuant to SFAS No. 128, "Earnings per Share," the Company is required to provide dual presentation of "basic" and "diluted" earnings (loss) per share (EPS). Basic EPS amounts are based upon the weighted average number of common shares outstanding. Diluted EPS amounts are based upon the weighted average number of common and potential common shares outstanding. Potential common shares include stock options using the treasury stock method. Potential common shares are excluded from the calculation of diluted EPS in loss years, as the impact is antidilutive. Basic and diluted losses per share are the same for the years ended December 31, 2006 and December 31, 2005 because the effect of potential common stock to be issued is anti-dilutive. At December 31, 2005, there were 1,193,209 vested stock options and 16,000 unvested options outstanding. At December 31, 2006, there were 1,240,876 vested stock options and 0 unvested options outstanding. At October 31, 2007, there were 1,240,876 vested stock options and 0 unvested options outstanding. These options were not included in the diluted losses per share calculation because the effect would have been anti-dilutive.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the 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. Actual results could differ from those estimates.

New Accounting Pronouncements

In May 2005, the Financial Accounting Standards Board ("FASB") issued SFAS No. 154, "Accounting Changes and Error Corrections," an amendment to APB Opinion No. 20, "Accounting Changes," and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements." SFAS No. 154 carries forward the guidance in APB No.20 and SFAS No.3 with respect to accounting for changes in estimates, changes in reporting entity and the correction of errors, but SFAS No. 154 establishes new standards on accounting for changes in accounting principles, whereby all such changes must be accounted for by retrospective application to the financial statements of prior periods, unless it is impracticable to do so. SFAS No. 154 is effective for accounting changes and error corrections made in fiscal years beginning after December 15, 2005, with early adoption permitted for changes and corrections made in years beginning after May 2005. The Company implemented SFAS No. 154 in its fiscal year beginning January 1, 2006. The Company does not believe that implementing SFAS No. 154 will have a material impact on the Company's financial position, results of operations or cash flows.

In February 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments," which amends SFAS No. 133, "Accounting for Derivatives Instruments and Hedging Activities" and SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities." SFAS No. 155 amends SFAS No. 133 to narrow the scope exception for interest-only and principal-only strips on debt instruments to include only such strips representing rights to receive a specified portion of the contractual interest or principle cash flows. SFAS No. 155 also amends SFAS No. 140 to allow qualifying special-purpose entities to hold a passive derivative financial instrument pertaining to beneficial interests that itself is a derivative instrument. The Company does not believe that the application of SFAS No. 155 will have a material impact on the Company's financial position, results of operations or cash flows.

In March 2006, the FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets," which provides an approach to simplify efforts to obtain hedge-like (offset) accounting. This Statement amends FASB Statement No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," with respect to the accounting for separately recognized servicing assets and servicing liabilities. The Statement (1) requires an entity to recognize a servicing asset or servicing liability each time it undertakes an obligation to service a financial asset by entering into a servicing contract in certain situations; (2) requires that a separately recognized servicing asset or servicing liability be initially measured at fair value, if practicable; (3) permits an entity to choose either the amortization method or the fair value method for subsequent measurement for each class of separately recognized servicing assets or servicing liabilities; (4) permits at initial adoption a one-time reclassification of available-for-sale securities to trading securities by an entity with recognized servicing rights, provided the securities reclassified offset the entity's exposure to changes in the fair value of the servicing assets or liabilities; and (5) requires separate presentation of servicing assets and servicing liabilities subsequently measured at fair value in the balance sheet and additional disclosures for all separately recognized servicing assets and servicing liabilities. SFAS No. 156 is effective for all separately recognized servicing assets and liabilities as of the beginning of an entity's fiscal year that begins after September 15, 2006, with earlier adoption permitted in certain circumstances. The Statement also describes the manner in which it should be initially applied. The Company does not believe that the application of SFAS No. 156 will have a material impact on its financial position, results of operations or cash flows.

In September 2006, the FASB issued Statement of Financial Accounting Issues No. 157, "Fair Value Measurements," which defines the fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. Early adoption is encouraged, provided that the Company has not yet issued financial statements for that fiscal year, including any financial statements for an interim period within that fiscal year. The Company does not believe that the application of SFAS 157 will have a material impact on its financial condition, results of operations, or cash flows.

In September 2006, the FASB issued SFAS No. 158, "Employer's Accounting for Defined Benefit Pension and Other Post Retirement Plans". SFAS No. 158 requires employers to recognize in its statement of financial position an asset or liability based on the retirement plan's over or under funded status. SFAS No. 158 is effective for fiscal years ending after December 15, 2006. The Company does not believe that the application of SFAS No. 158 will have a material impact on its financial condition, results of operations, or cash flows.

In September 2006, the United States Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements." This SAB provides guidance on the consideration of the effects of prior year misstatements in quantifying current year misstatements for the purpose of a materiality assessment. SAB 108 establishes an approach that requires quantification of financial statement errors based on the effects on each of the company's balance sheets, statements of operations and related financial statement disclosures. The SAB permits existing public companies to record the cumulative effect of initially applying this approach in the first year ending after November 15, 2006 by recording the necessary correcting adjustments to the carrying values of assets and liabilities as of the beginning of that year with the offsetting adjustment recorded to the opening balance of retained earnings. Additionally, the use of the cumulative effect transition method requires detailed disclosure of the nature and amount of each individual error being corrected through the cumulative adjustment and how and when it arose. The Company does not believe that the application of SAB 108 will have a material impact on its financial condition, results of operations, or cash flows.

In October 2006, the Emerging Issues Task Force ("EITF") issued EITF 06-3, "How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement," (That is, Gross versus Net Presentation) to clarify diversity in practice on the presentation of different types of taxes in the financial statements. The Task Force concluded that, for taxes within the scope of the issue, a company may adopt a policy of presenting taxes either gross within revenue or net. That is, it may include charges to customers for taxes within revenues and the charge for the taxes from the taxing authority within cost of sales or, alternatively, it may net the charge to the customer and the charge from the taxing authority. If taxes subject to EITF 06-3 are significant, a company is required to disclose its accounting policy for presenting taxes and the amounts of such taxes that are recognized on a gross basis. The guidance in this consensus is effective for the first interim reporting period beginning after December 15, 2006 (the first quarter of our fiscal year 2007). The Company does not believe that the application of EITF 06-3 will have a material impact on its financial position, results of operations or cash flows.

In June, 2006 the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes." ("FIN 48") FIN 48 clarifies, among other things, the accounting for uncertain income tax positions by prescribing a minimum probability threshold that a tax position must meet before a financial statement income tax benefit is recognized. The minimum threshold is defined as a tax position that, based solely on its technical merits, is more likely than not to be sustained upon examination by the relevant taxing authority. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. FIN 48 must be applied to all existing tax positions upon adoption. The cumulative effect of applying FIN 48 at adoption is required to be reported separately as an adjustment to the opening balance of retained earnings in the year of adoption. FIN 48 is required to be implemented at the beginning of a fiscal year, although early adoption is permitted. The Company does not believe that the application of FIN 48 will have a material impact on its financial position, results of operations or cash flows.

NOTE 4 - ACQUISITION OF STRATUS REWARDS

Stratus Rewards

In accordance with the Asset Purchase Agreement dated August 15, 2005, by and between the Company and Stratus Rewards, LLC ("Stratus"), the Company acquired the business of Stratus, an affiliate redemption credit card rewards program.

The total consideration for this acquisition was $3,000,000, with the Company entering into a note payable of $1,000,000 and issuing 666,667 common shares valued at $2,000,000. The note is payable in eight quarterly equal payments over a 24 month period, with the first payment due upon completion of the first post-public merger funding, with such funding to be at a minimum amount of $3,000,000.

The results of operations of the business acquired have been included in the Company's Statements of Operations from the date of acquisition. Depreciation and amortization related to the acquisition were calculated based on the estimated fair market values and estimated useful lives for property and equipment and an independent valuation for certain identifiable intangible assets acquired.

The Company's allocation of the purchase price is summarized as follows:

Assets:		
Cash	$	343,627
Property and equipment		20,800
Intangible assets		927,400
Goodwill		2,073,345
Total Assets		3,365,172
Liabilities:		
Redemption fund reserve		343,627
Accrued liabilities		21,545
Total Liabilities		365,172
Total Purchase Price	$	3,000,000

Unaudited pro forma results of operations for the year ended December 31, 2005, as if the acquisition had occurred as of January 1, 2005 are as follows:

	Year Ended December 31, 2005	
	Historical	Pro Forma
Net revenues	$ 408,620	$ 641,254
Net loss	$ 1,652,800	$ 2,406,516
Net loss per common share, basic and diluted	$ 0.13	$ 0.19
Weighted average common shares outstanding, basic and diluted	12,946,224	12,946,224

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2006 and December 31, 2005 consisted of the following:

	December 31,		October 31,
	2006	2005	2007
			(Unaudited)
Computers and peripherals	$,873	$ 52,873	$ 52,873
Office machines	11,058	11,058	11,058
Furniture and fixtures	56,468	56,468	56,468
	120,399	120,399	120,399
Less: accumulated depreciation	(94,869)	(82,250)	(105,383)
	$ 25,530	$ 38,149	$ 15,016

For the years ended December 31, 2006 and 2005 and the ten months ended October 31, 2007, depreciation expense was $12,619, $4,298 and $10,514, respectively

NOTE 6 - GOODWILL AND INTANGIBLE ASSETS

The following sets forth the intangible assets of the Company as of December 31, 2006 and 2005:

	December 31,		October 31,
	2006	2005	2007
			(Unaudited)
Intangible Assets			
(A) Events			
● Long Beach Marathon	$ 300,000	$ 300,000	$ 300,000
● Millrose Games	61,233	61,233	61,233
● Concours on Rodeo	600,000	600,000	600,000
● Santa Barbara Concours d'Elegance	243,000	243,000	243,000
● Cour Tour/Action Sports Tour	1,067,069	1,067,069	1,067,069
● Freedom Bowl	344,232	344,232	344,232
● Maui Music Festival	725,805	725,805	725,805
● Athlete Management	15,000	15,000	15,000
● Snow & Ski Tour	255,000	255,000	255,000
Total - Events	$ 3,611,339	$ 3,611,339	$ 3,611,339
(B) Stratus Rewards			
● Purchased Licensed Technology, net of Accum. Amort. of $49,031, $14,421 and $99,873	297,069	331,679	256,227
● Membership List, net of accumulated amort. of $15,300, $4,500 and $27,600	92,700	103,500	80,400
● Corporate Partner List	23,300	23,300	23,300
● Corporate Membership	450,000	450,000	450,000
Total - Stratus Rewards	863,069	908,479	809,927
Total Intangible Assets	**$ 4,474,408**	**$ 4,519,818**	**$ 4,421,266**

In accordance with SFAS No. 142, the Company's goodwill and intangible assets, other than the purchased license technology and the membership list for Stratus, are considered to have indefinite lives and are therefore no longer amortized, but rather are subject to annual impairment tests. The Company's annual impairment testing date is December 31. The Company determined that it did not have any impairment of goodwill or intangible assets at December 31, 2006 or December 31, 2005 and thus did not recognize any impairment expense in the years ended December 31, 2006 or December 31, 2005. The purchased license technology and membership list are being amortized over their estimated useful life of 10 years. For the years ended December 31, 2006 and 2005 and the ten months ended October 31, 2007, amortization expense was $45,410, $18,921 and $37,842, respectively.

NOTE 7 - LINE OF CREDIT

The company has a line of credit with Wells Fargo Bank. This line of credit has a limit of $100,000 and is guaranteed by a majority shareholder. This line of credit carries a variable interest rate based on the prime rate, being 8.25% at December 31, 2006 and 7.25% at December 31, 2005, plus a 0.75% spread per annum.

The balances outstanding at December 31, 2006, 2005 and the ten months ended October 31, 2007, were $70,611, $75,776 and $68,041 respectively. On or about June 20, 2006 Wells Fargo Bank provided a notice of entry of judgment in the amount of $78,651 against, among others, the Company to ensure payment of the amount outstanding on the line as of that date. The Company is not able to draw additional amounts under this line of credit.

For the years ended December 31, 2006 and 2005, the Company incurred interest expense in relation to the line of credit totaling $5,387 and $5,520, respectively. In addition, as at December 31, 2006 and 2005, the Company has accrued interest in relation to the line of credit of $12,030 and $6,643, respectively.

NOTE 8 - LOANS PAYABLE TO SHAREHOLDERS

Loans Payable to Shareholders at December 31, 2006 and 2005 and October 31, 2007 consisted of the following:

	December 31,		October 31,
	2006	2005	2007
			(Unaudited)
Loans payable to shareholders, due on demand, with an interest rate of 9.5%	$ 905,086	$ 886,450	$ 780,111

For the years ended December 31, 2006 and 2005 and the ten months ended October 31, 2007, the Company incurred interest expense on these Loans Payable to Shareholders of $72,657, $86,999, and $73,227 respectively. As at December 31, 2006 and 2005 and the ten months ended October 31, 2007 the Company has accrued interest on these Loans Payable to Shareholders of $401,071 and $328,414, and $474,298, respectively. Loans payable to the Company's president comprised $895,086, $886,450 and $770,111 of the total loans payable to shareholders as of December 31, 2006 and 2005, and October 31, 2007.

NOTE 9 - NOTES PAYABLE TO RELATED PARTIES

Notes Payable to Related Parties at December 31, 2006 and 2005 and October 31, 2007 consisted of the following:

	December 31,		October 31,
	2006	2005	2007
			(Unaudited)
● Note payable to shareholder (unsecured), dated January 14, 2005, with maturity date of May 14, 2005. The principal amount and accrued interest were payable on May 14, 2005, plus interest at 10% per annum. This note is currently in default.	$ 70,000	$ 70,000	$ 70,000
● Note payable to shareholder (unsecured), dated February 1, 2005, with maturity date of June 1, 2005. The principal amount and accrued interest were payable on June 1, 2005, plus interest at 10% per annum. This note is currently in default.	10,000	10,000	10,000
● Note payable to shareholder (unsecured), dated February 5, 2005, with maturity date of June 5, 2005. The principal amount and accrued interest were payable on June 5, 2005, plus interest at 10% per annum. This note is currently in default.	10,000	10,000	10,000
● Note payable to shareholder related to purchase of Stratus. The note is payable in eight quarterly equal payments over a 24 month period, with the first payment due upon completion of the first post-public merger funding, with such funding to be at a minimum amount of $3,000,000.	1,000,000	1,000,000	1,000,000
Total	**1,090,000**	**1,090,000**	**1,090,000**
Less: current portion	**90,000**	**90,000**	**90,000**
Long-term portion	**$ 1,000,000**	**$ 1,000,000**	**$ 1,000,000**

The future obligations under these Notes Payable to Related Parties were as follows at December 31, 2006:

Year Ending December 31,	
2008	$ 90,000
2009	$ 500,000
2010	$ 500,000
	$ 1,090,000

For the years ended December 31, 2006 and 2005 and the ten months ended October 31, 2007, the Company incurred interest expense on these Notes Payable to Related Parties of $9,000, $8,521, and $7,500respectively. As at December 31, 2006 and 2005 and October 31, 2007, the Company has accrued interest on these Notes Payable to Related Parties of $17,520, $8,522 and $25,020, respectively.

NOTE 10 - NOTE PAYABLE

The Note Payable at December 31, 2006 and 2005, and October 31, 2007 consisted of the following:

	December 31, 2006	December 31, 2005	October 31, 2007 (Unaudited)
● Note payable to non-shareholder (unsecured), date January 19, 2005 with maturity date of May 19, 2005. The principal amount and accrued interest were payable June 1, 2005, plus interest at 10% per annum. This note is currently in default.	$ 125,000	$ 125,000	$ 125,000
Total	**125,000**	**125,000**	**125,000**
Less: current portion	**125,000**	**125,000**	**125,000**
Long-Term portion	**$ 0**	**$ 0**	**$ 0**

For the years ended December 31, 2006 and 2005 and the ten months ended October 31, 2007, the Company incurred interest expense on this Note Payable of $12,500, $11,849 and $10,417, respectively. As at December 31, 2006 and 2005 and October 31, 2007, the Company has accrued interest on this Note Payable of $24,349, $11,849 and $34,766, respectively.

NOTE 11 - EVENT ACQUISITION LIABILITIES

The following sets forth the liabilities, in relation to the acquisition of events (refer to Note 6), assumed by the Company as of December 31, 2006 and December 31, 2005:

	December 31, 2006	December 31, 2005	October 31, 2007 (Unaudited)
● Concours on Rodeo	$ 430,043	$ 430,043	$ 430,043
● Core Tour/Action Sports Tour	483,718	483,718	483,718
● Snow & Ski Tour	240,000	240,000	240,000
	$ 1,153,761	**$ 1,153,761**	**$ 1,153,761**

NOTE 12 - REDEMPTION FUND RESERVE

The redemption fund reserve records the liabilities related to the Company's obligations to pay for the redemption of rewards from the Stratus credit card rewards program. As at December 31, 2006 and 2005 and October 31, 2007, the Company has balances in this redemption fund reserve account of $346,806, $482,647 and $124,293, respectively.

NOTE 13 - RELATED PARTY TRANSACTION

During the years ended December 31, 2005 and 2006 and the ten months ended October 31, 2007, under an agreement which expired at September 30, 2006 and was extended on a month-to-month basis, the Company rented office space owned by the Chairman, President and Chief Executive Officer of the Company. The total rent expense paid by the Company in the years ended December 31, 2006 and 2005 was $25,000 and $12,000, respectively, and $20,833 for the ten months ended October 31, 2007. The Company believes that such rents are at or below prevailing market rates and is continuing to rent this space.

NOTE 14 - SHAREHOLDERS' EQUITY / (DEFICIT)

(A) Preferred Stock

The Company has 5,000,000 authorized shares of preferred stock and, as of December 31, 2006 and 2005 and October 31, 2007, there were no preferred shares issued and outstanding.

(B) Common Stock

During the years ended December 31, 2006 and 2005 the Company raised $335,000 and $183,250, respectively, through the issuance of 191,182 and 223,053 shares of common stock, respectively. The capital raised through these issuances of common stock includes offering costs for the years ended December 31, 2006 and 2005 of $5,844 and $0, respectively, and was used to fund the general operations of the company. During the ten months ended October 31, 2007, the company raised $459,500 through the issuance of 153,167 shares of common stock

(C) Stock Options

During the year ended December 31, 2005, the Company granted options, for financing services, to a shareholder to purchase 8,000 shares of its common stock. These stock options were granted with an exercise price of $1.55 and have a five-year term.

During the year ended December 30, 2006, the Company granted options, for finders' fees and consulting advice, to two shareholders and one non-shareholder, to purchase 31,667 shares of its common stock. These stock options were granted with exercise prices ranging from $2.00 to $3.00 and have five-year terms.

In relation to the above options, for the years ended December 31, 2006 and 2005, the Company has recorded expenses of $33,910 and $14,521, respectively. There were no stock options granted during the ten months ended October 31, 2007

Stock option activity is as follows:

	Number of Options	Average Exercise Price
Balance outstanding at December 31, 2004	**1,201,209**	**$ 0.79**
(1,142,217 options exercisable at weighted average exercise price of $0.75)		
Granted (weighted average fair value of $3.00)	8,000	$ 1.55
Exercised	0	
Balance outstanding at December 31, 2005	**1,209,209**	**$ 0.79**
(1,193,209 options exercisable at weighted average exercise price of $0.78)		
Granted (weighted average fair value of $2.21)	31,667	$ 3.00
Exercised	0	
Balance outstanding at December 31, 2006	**1,240,876**	**$ 0.83**
(1,240,876 options exercisable at weighted average exercise price of $0.83)		
Granted	0	
Exercised	0	
Balance outstanding at October 31, 2007	**1,240,876**	**$ 0.83**
(1,240,876 options exercisable at weighted average exercise price of $0.83)		

Additional information regarding options outstanding as of October 31, 2007 is as follows:

	Options outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted average remaining life (years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$0.00 - $0.50	878,431	2.0	$ 0.50	878,431	$ 0.50
$0.51 - $1.55	328,378	2.5	$ 1.55	312,378	$ 1.55
$1.56 - $3.00	2,400	2.0	$ 3.00	2,400	$ 3.00
Totals	**1,209,209**	**2.5**	**$ 0.79**	**1,193,209**	**$ 0.78**

Additional information regarding options outstanding as of October 31, 2007 is as follows:

	Options outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted average remaining life (years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$0.00 - $0.50	878,431	1.0	$ 0.50	878,431	$ 0.50
$0.51 - $1.55	328,378	1.5	$ 1.55	328,378	$ 1.55
$1.56 - $3.00	34,067	4.0	$ 2.27	34,067	$ 2.27
Totals	**1,240,876**	**2.0**	**$ 0.83**	**1,240,876**	**$ 0.83**

(D) Warrants

During the year ended December 31, 2005 the Company granted warrants with rights to purchase $36,250 of its common stock. These warrants have terms of five years and the exercise prices for these warrants are to be the share prices applicable in the next Company Financing after February 2005 as a result of the proposed Reverse Merger. The warrants will expire in 2010. The Company valued these warrants, using the Black-Scholes option pricing model, at December 31, 2006 and 2005, at $15,562 and $15,562, respectively, and included this liability in other accrued expenses and other liabilities. There were no warrants granted in the ten months ended October 31, 2007.

These warrants were granted as financing costs related to notes payable agreements with two shareholders and one non-shareholder. The warrants are accounted for as financing costs which were capitalized and amortized over the five-year life of the debt. Total amortization expense for the years ended December 31, 2006 and 2005 were $5,437 and $3,112, respectively.

The Company analyzed these warrants in accordance with EITF pronouncement No. 00-19, “Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company’s Own Stock”. The Company determined that the warrants should be classified as a liability based on the fact that the number of shares attributable to these warrants is indeterminate.

NOTE 15 - INCOME TAXES

Significant components of the Company's deferred tax assets for federal income taxes for the years ended December 31, 2006 and December 31, 2005 and the ten months ended October 31, 2007 consisted of the following:

	December 31,		October 31,
	2006	2005	2007
			(Unaudited)
Net operating loss carryforward	$ 3,916,987	$ 3,605,292	$ 4,235,436
Amortization	(521,784)	(332,943)	(577,235)
Stock option compensation	170,327	155,800	170,327
Deferred compensation	559,281	456,465	644,961
Deferred state tax	(246,411)	(225,579)	(275,118)
Other	226,467	170,278	286,955
Valuation allowance	(4,104,867)	(3,829,313)	(4,485,326)
Net deferred tax asset	$ -	$ -	$ -

For the years ended December 31, 2006 and December 31, 2005 and the ten months ended October 31, 2007, the Company had net operating loss carry-forwards (“NOL”) for federal and state income tax purposes of approximately:

	December 31,		October 31,
	2006	2005	2007
			(Unaudited)
Combined NOL:			
Federal	$ 9,652,540	$ 8,924,260	$ 10,314,928
California	7,230,066	6,457,076	8,239,367

The net operating loss carry-forwards begin expiring in 2019 and 2009, respectively. The utilization of net operating loss carry-forwards may be limited due to the ownership change under the provisions of Internal Revenue Code Section 382 and similar state provisions. The Company recorded a 100% valuation allowance on the deferred tax assets at December 31, 2006 and 2005 and the ten months ended October 31, 2007 because of the uncertainty of their realization.

A reconciliation of the income tax credit computed at the federal statutory rate to that recorded in the financial statements is as follows:

	December 31, 2006		December 31, 2005		October 31, 2007	
Rate reconciliation:						
Federal credit at statutory rate	(251,838)	34.00%	(561,952)	34.00%	(311,152)	34.00%
State tax, net of Federal benefit	(42,289)	5.80%	(95,517)	5.78%	(55,038)	5.80%
Change in valuation allowance	294,188	-39.81%	656,023	-39.69%	362,642	-39.81%
Other	739	-0.10%	2,246	-0.14%	4,348	-0.10%
Total provision	800	-0.11%	800	-0.05%	800	-0.11%

NOTE 16 - COMMITMENTS AND CONTINGENCIES

Leases

Effective September 1, 2006, the Company entered into a lease agreement for office facilities on a month-to-month basis and this agreement requires monthly payments of $4,318.

Effective October 1, 2005, the Company entered into a one-year lease agreement for office facilities and this agreement required monthly payments of $4,000.

Rent expense for the years ended December 31, 2006 and 2005 and the ten months ended October 31, 2007 amounted to $64,426, $100,609 and $49,764, respectively.

Legal matters

In connection with a settlement agreement, on or about May 27, 2005, a legal judgment was entered in the Superior Court of the County of Los Angeles against the Company in favor of the previous owners of the “Core Tour” event, in the amount of $483,718. The dispute arose out of the Company’s asset purchase of the “Core Tour” event from the plaintiffs. In addition, this judgment specified that the Company must pay interest at a stipulated amount per day. The Company recorded interest expense related to this note of $32,888 and $39,664 in the years ending December 31, 2006 and 2005. The Company has recorded the total liability of $556,270 and $523,382 as of December 31, 2006 and 2005 and has included the acquisition cost in intangible assets. The terms of the judgment call for ownership of the “Cour Tour” event to revert to the plaintiffs if they are not paid the judgment plus interest by October 31, 2006. While the Company did not make this payment, the Company is in active discussions regarding having the Plaintiffs join the Company and manage these events upon obtaining initial funding. The Plaintiffs have not moved to enforce this judgment and the Company expects that the discussions with the Plaintiffs will result in them joining the Company and running the events, although there can be no assurance that this outcome will occur.

On or about May 18, 2004, a plaintiff, an ex-employee, filed a complaint against the Company, seeking damages.. On or about July 14, 2005, the Labor Commissioner for the State of California entered a judgment against the Company in favor of this former employee for a total award amount of $9,329. The Company has recorded the entire liability as of December 31, 2006 and December 31, 2005. The Company plans to seek to set aside this judgment, disputing that it owes the plaintiff the amount claimed.

On or about February 27, 2006, a plaintiff, an ex-employee, filed a complaint against the Company, seeking $356,250 in damages. On or about June 23, 2006, the Superior Court of the County of Los Angeles entered a default against the Company in favor of this former employee. The Company has recorded the entire liability as of December 31, 2006 and December 31, 2005. The Company plans to seek to set aside the default, disputing that it owes the plaintiff the amount claimed but, rather, that the plaintiff was fully paid upon his voluntary resignation from the Company. On January 24, 2008, the Company received a tentative order from the Court vacating the award.

On or about June 20, 2006, the plaintiff, Wells Fargo Bank, provided a notice of entry of judgment in the amount of $78,651 against, among others, the Company, formerly known as GMG Sports and Entertainment, Incorporated to ensure payment of the amount outstanding on the line as of that date. The remaining, undrawn amount on the line is not available to the Company.

The Company is currently involved in disputes with the previous owners of the “Concours on Rodeo”, “Millrose Games” and “American Snowboard Tour and American Freeski Tour” events. Company management believes that these disputes could result in future litigation or disruption of the ability of the Company to run these events, but is unable at this time to estimate the potential outcomes.

Employment Agreement

The Company has an Employment Agreement (“Agreement”), dated January 1, 2002, with its President and Chief Executive Officer, which requires the Company to offer a non-qualified stock option to purchase 10% of the fully diluted shares of the Company’s capital stock issued and outstanding on January 1, 2002, the effective date of the Agreement. The stock option has a term of five years at an exercise price of $0.50 per share (which was equal to the fair value) and vested immediately on the date of the agreement. This stock option is subject to a customary anti-dilution provision with respect to any stock splits, mergers, reorganizations and other such events. The length of this Agreement is five years from the effective date unless the employment is terminated for another cause. During the duration of this Agreement, the Chief Executive Officer is entitled to an annual salary of $240,000 and a bonus of $250,000 in the event a Valuing Event causes the Company to be valued in excess of $100,000,000 and an additional bonus of $500,000 in the event a Valuing Event causes the Company to be valued in excess of $500,000,000. For the years ended December 31, 2006 and December 31, 2005, no bonuses have been paid by the Company in relation to this Agreement.

NOTE 17 - SUBSEQUENT EVENTS

Reverse Merger

Subsequent to October 31, 2007, the Company signed an “Agreement and Plan of Merger” (Reverse Merger Agreement) with Feris International. (“FIIS”), a public company. FIIS will acquire all the issued and outstanding shares of the Company in exchange for issuing approximately 49,500,000 common shares of FIIS to the shareholders of the Company, resulting in current shareholders of the Company owning 90% of the combined entity.

This reverse merger will result in the Company becoming a public company and able to access additional capital for the purpose of funding its operations.

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PRO SPORTS ENTERTAINMENT, INC.
STRATUS ENTERTAINMENT, INC.
PRO FORMA COMBINED BALANCE SHEET

ASSETS	As of October 31, 2007 (Unaudited) Pro Sports	Feris International	Adjustments		Pro Forma
Current assets					
Cash and cash equivalents	$ 128,545	$ -	$ -		$ 128,545
Restricted cash	162,855	-	-		162,855
Receivables	0	-	-		-
Deposits and prepaid expenses	14,915	-	-		14,915
Inventory	9,483	-	-		9,483
Total current assets	**315,798**	-	-		**315,798**
Property and equipment, net	15,016	-	-		15,016
Intangible assets, net	4,421,266	-	-		4,421,266
Goodwill	2,073,345	-	-		2,073,345
Total assets	**$ 6,825,425**	**$ -**	**$ -**		**$ 6,825,425**
LIABILITIES AND SHAREHOLDERS' EQUITY / (DEFICIT)					
Current liabilities					
Bank overdraft	$ 92,928	$ -	$ -		92,928
Accounts payable	1,182,959	-	-		1,182,959
Deferred salary	1,505,512	32,400	28,800	(a)	1,566,712
Accrued interest	668,718	13,821	-		682,539
Accrued expenses - legal judgment	365,579	-	-		365,579
Other accrued expenses and other liabilities	468,634	82,500	-		551,134
Line of credit	68,041	-	-		68,041
Loans and accounts payable to shareholders and related parties	780,111	-	-		780,111
Current portion of notes payable - related parties	90,000	-	-		90,000
Note payable	125,000	75,000	(75,000)	(b)	125,000
Event acquisition liabilities	1,153,761	-	-		1,153,761
Deferred revenue	24,385	-	-		24,385
Redemption fund reserve	124,293	-	-		124,293
Total current liabilities	**6,649,921**	**203,721**	**(46,200)**		**6,807,442**
Non-current liabilities					
Non-current portion of notes payable - related parties	**1,000,000**	-	-		**1,000,000**
Total liabilities	**7,649,921**	**203,721**	**(46,200)**		**7,807,442**
Commitments and contingencies					
Shareholders' equity / (deficit)					
Preferred stock, $0.0001 par value:	-	-	-		-
5,000,000 shares authorized					
0 shares issued and outstanding					
Common stock, $0.001 par value:	137,287	243	(137,372)	(c)	5,500
200,000,000 shares authorized			5,342	(b)	
55,000,000 shares issued and outstanding					
Additional paid-in capital	9,861,513	12,598,563	137,372	(c)	9,861,513
			69,658	(b)	
			(12,598,563)	(d)	
			(207,030)	(f)	
Accumulated deficit	(10,823,296)	(12,802,527)	12,598,563	(d)	(10,849,030)
			(28,800)	(a)	
			207,030	(f)	
Total shareholders' equity / (deficit)	**(824,496)**	**(203,721)**	**(132,030)**		**(982,017)**
Total liabilities and shareholders' equity / (deficit)	**$ 6,825,425**	**$ -**	**$ (178,230)**		**$ 6,825,425**

(a) To adjust for post-October 31, 2007 award of $28,800 to Custodian for Feris International
(b) Reflects conversion of Feris notes payable of $75,000 into 5,341,500 shares of common stock
(c) Adjustments to reflect 55,000,000 shares outstanding following the merger at par value of $0.001 per share
(d) Reverse Additional Paid-in Capital for Feris
(e) Adjustments to reflect 55,000,000 shares outstanding following the merger at par value of $0.001 per share
(f) To adjust pro-forma Additional Paid in Capital to the PSEI amount

PRO SPORTS ENTERTAINMENT, INC.
STRATUS ENTERTAINMENT, INC.
PRO FORMA COMBINED STATEMENT OF OPERATIONS

	Ten Months Ended October 31, 2007 (Unaudited)			
	Pro Sports	Feris International	Adjustments	Pro Forma
Net revenues	$ 301,310	$ -	$ -	$ 301,310
Cost of goods sold	77,103	-	-	77,103
Gross profit / (loss)	**224,207**	-	-	**224,207**
Operating expenses				
General and administrative	516,019	55,800	28,800 (a)	600,619
Legal and professional services	426,863	-	-	426,863
Depreciation & amortization	48,482	-	-	48,482
Total operating expenses	**991,364**	**55,800**	**28,800**	**1,075,964**
Loss from operations	**(767,157)**	**(55,800)**	**(28,800)**	**(851,757)**
Other income/(expenses)				
Other income	21,641	-	(203,964) (d)	24,707
			207,030 (f)	
Interest expense, net	(169,636)	(4,962)	-	(174,598)
Total other expenses	**(147,995)**	**(4,962)**	**3,066**	**(149,891)**
Net loss	**$ (915,152)**	**$ (60,762)**	**$ (25,734)**	**$ (1,001,648)**
Basic and diluted earnings per share	**$ (0.07)**	**$ (0.51)**	**$ -**	**$ (0.02)**
Basic and diluted weighted-average common shares	**13,668,224**	**118,500**	**41,213,276** (b)	**55,000,000**

(a) To adjust for post-October 31, 2007 award of $28,800 to Custodian for Feris International
(b) To adjust weighted average common shares to the post-merger level of 55,000,000
(d) Non-cash net loss on reversing paid-in capital for Feris
(f) To adjust pro-forma Additional Paid in Capital to the PSEI amount

AGREEMENT AND PLAN OF MERGER, dated as of August 20, 2007 (the "Agreement"), among Feris International, Inc. a Nevada Corporation ("Feris"), Feris Merger Sub, Inc., a California corporation and wholly owned subsidiary of Feris ("Merger Sub"), and Patty Linson, an individual ("Shareholder"), on the one hand; and Pro Sports & Entertainment, Inc., a California corporation (the "Company), on the other hand. Feris, Shareholder, Merger Sub and the Company are collectively referred to herein as the "Parties". Feris, Shareholder and Merger Sub are sometimes referred to herein collectively as the Feris Parties.

RECITALS

WHEREAS, the respective boards of directors of each of Feris, Merger Sub and the Company have approved the merger of Merger Sub with and into the Company (the "Merger") upon the terms, and subject to the conditions, set forth in this Agreement;

WHEREAS, Shareholder beneficially owns or controls an aggregate of 124,000 shares of the outstanding capital stock of Feris, representing a majority of the outstanding shares of Feris and will benefit from the transactions contemplated herein.

WHEREAS, it is intended that, for federal income tax purposes, the Merger shall qualify as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated there under (the "Code"); and

WHEREAS, Feris, Merger Sub, Shareholder and the Company desire to make certain representations, warranties, covenants and agreements in connection with this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual promises herein made, and in consideration of the representations, warranties, covenants and agreements herein contained, and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE I
DEFINITIONS

1.1 Certain Definitions. The following terms shall, when used in this Agreement, have the following meanings:

"Acquisition" means the acquisition by a Person of any businesses, assets or property other than in the ordinary course, whether by way of the purchase of assets or stock, by merger, consolidation or otherwise.

"Affiliate" means, with respect to any Person: (i) any Person directly or indirectly owning, controlling or holding with power to vote ten percent (10%) or more of the outstanding voting securities of such other Person (other than passive or institutional investors); (ii) any Person ten percent (10%) or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote, by such other Person; (iii) any Person directly or indirectly controlling, controlled by or under common control with such other Person; and (iv) any officer, director or partner of such other Person. "Control" for the foregoing purposes shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or voting interests, by contract or otherwise.

"Business Day" means any day other than Saturday, Sunday or a day on which banking institutions in Los Angeles, California, are required or authorized to be closed.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Collateral Documents" mean the Exhibits and any other documents, instruments and certificates to be executed and delivered by the Parties hereunder or there under.

"Commission" means the Securities and Exchange Commission or any Regulatory Authority that succeeds to its functions.

"Company Assets" mean all properties, assets, privileges, powers, rights, interests and claims of every type and description that are owned, leased, held, used or useful in the Company Business and in which the Company has any right, title or interest or in which the Company acquires any right, title or interest on or before the Closing Date, wherever located, whether known or unknown, and whether or not now or on the Closing Date on the books and records of the Company, but excluding any of the foregoing, if any, transferred prior to the Closing pursuant to this Agreement or any Collateral Documents.

"Company Business" means the acquisition and operating of sports and entertainment events.

"Company Common Stock" means the common shares of the Company.

"Company Shareholders" means, as of any particular date, the holders of Company Common Stock on that date.

"Encumbrance" means any material mortgage, pledge, lien, encumbrance, charge, security interest, security agreement, conditional sale or other title retention agreement, limitation, option, assessment, restrictive agreement, restriction, adverse interest, restriction on transfer or exception to or material defect in title or other ownership interest (including restrictive covenants, leases and licenses).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations there under.

"GAAP" means United States generally accepted accounting principles as in effect from time to time.

"Legal Requirement" means any statute, ordinance, law, rule, regulation, code, injunction, judgment, order, decree, ruling, or other requirement enacted, adopted or applied by any Regulatory Authority, including judicial decisions applying common law or interpreting any other Legal Requirement.

"Losses" shall mean all damages, awards, judgments, assessments, fines, sanctions, penalties, charges, costs, expenses, payments, diminutions in value and other losses, however suffered or characterized, all interest thereon, all costs and expenses of investigating any claim, lawsuit or arbitration and any appeal there from, all actual attorneys', accountants' investment bankers' and expert witness' fees incurred in connection therewith, whether or not such claim, lawsuit or arbitration is ultimately defeated and, subject to Section 9.4, all amounts paid incident to any compromise or settlement of any such claim, lawsuit or arbitration.

"Liability" means any liability or obligation (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes.

"Material Adverse Effect" means a material adverse effect on (i) the assets, Liabilities, properties or business of the Parties, (ii) the validity, binding effect or enforceability of this Agreement or the Collateral Documents or (iii) the ability of any Party to perform its obligations under this Agreement and the Collateral Documents; provided, however, that none of the following shall constitute a Material Adverse Effect on the Company: (i) the filing, initiation and subsequent prosecution, by or on behalf of shareholders of any Party, of litigation that challenges or otherwise seeks damages with respect to the Merger, this Agreement and/or transactions contemplated thereby or hereby, (ii) occurrences due to a disruption of a Party's business as a result of the announcement of the execution of this Agreement or changes caused by the taking of action required by this Agreement, (iii) general economic conditions, or (iv) any changes generally affecting the industries in which a Party operates.

"Merger Shares" means the shares of Feris Common Stock deliverable by Feris in exchange for Company Common Stock pursuant to Section 2.6.

"Feris Assets" mean all properties, assets, privileges, powers, rights, interests and claims of every type and description that are owned, leased, held, used or useful in the Feris Business and in which Feris or any of its Subsidiaries has any right, title or interest or in which Feris or any of its Subsidiaries acquires any right, title or interest on or before the Closing Date, wherever located, whether known or unknown, and whether or not now or on the Closing Date on the books and records of Feris or any of its Subsidiaries.

"Feris Business" means the business conducted by Feris.

"Feris Common Stock" means the common shares of Feris.

"Permit" means any license, permit, consent, approval, registration, authorization, qualification or similar right granted by a Regulatory Authority.

"Permitted Liens" means (i) liens for Taxes not yet due and payable or being contested in good faith by appropriate proceedings; (ii) rights reserved to any Regulatory Authority to regulate the affected property; (iii) statutory liens of banks and rights of set off; (iv) as to leased assets, interests of the lessors and sublessors thereof and liens affecting the interests of the lessors and sublessors thereof; (v) inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business; (vi) liens incurred or deposits made in the ordinary course in connection with workers' compensation and other types of social security; (vii) licenses of trademarks or other intellectual property rights granted by the Company or Feris, as the case may be, in the ordinary course and not interfering in any material respect with the ordinary course of the business of the Company or Feris, as the case may be; and (viii) as to real property, any encumbrance, adverse interest, constructive or other trust, claim, attachment, exception to or defect in title or other ownership interest (including, but not limited to, reservations, rights of entry, rights of first refusal, possibilities of reverter, encroachments, easement, rights of way, restrictive covenants, leases, and licenses) of any kind, which otherwise constitutes an interest in or claim against property, whether arising pursuant to any Legal Requirement, under any contract or otherwise, that do not, individually or in the aggregate, materially and adversely affect or impair the value or use thereof as it is currently being used in the ordinary course.

"Person" means any natural person, corporation, partnership, trust, unincorporated organization, association, limited liability company, Regulatory Authority or other entity.

"Proposed Acquisition" means any of the following transactions (other than the transactions contemplated by this Agreement): (i) a merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving the Company pursuant to which the shareholders of the Company immediately preceding such transaction hold less than fifty percent (50%) of the aggregate equity interests in the surviving or resulting entity of such transaction, (ii) a sale or other disposition by the Company of assets representing in excess of fifty percent (50%) of the aggregate fair market value of the Company Business immediately prior to such sale or (iii) the acquisition by any person or group (including by way of a tender offer or an exchange offer or issuance by the Company), directly or indirectly, of beneficial ownership or a right to acquire beneficial ownership of shares representing in excess of fifty percent (50%) of the voting power of the then outstanding shares of capital stock of the Company.

"Regulatory Authority" means: (i) the United States of America; (ii) any state, commonwealth, territory or possession of the United States of America and any political subdivision thereof (including counties, municipalities and the like); (iii) Canada and any other foreign (as to the United States of America) sovereign entity and any political subdivision thereof; or (iv) any agency, authority or instrumentality of any of the foregoing, including any court, tribunal, department, bureau, commission or board.

"Representative" means any director, officer, employee, agent, consultant, advisor or other representative of a Person, including legal counsel, accountants and financial advisors.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations there under.

"Subsidiary" of a specified Person means (a) any Person if securities having ordinary voting power (at the time in question and without regard to the happening of any contingency) to elect a majority of the directors, trustees, managers or other governing body of such Person are held or controlled by the specified Person or a Subsidiary of the specified Person; (b) any Person in which the specified Person and its subsidiaries collectively hold a fifty percent (50%) or greater equity interest; (c) any partnership or similar organization in which the specified Person or subsidiary of the specified Person is a general partner; or (d) any Person the management of which is directly or indirectly controlled by the specified Person and its Subsidiaries through the exercise of voting power, by contract or otherwise.

"Tax" means any U.S. or non U.S. federal, state, provincial, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, intangible property, recording, occupancy, sales, use, transfer, registration, value added minimum, estimated or other tax of any kind whatsoever, including any interest, additions to tax, penalties, fees, deficiencies, assessments, additions or other charges of any nature with respect thereto, whether disputed or not.

"Tax Return" means any return, declaration, report, claim for refund or credit or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Treasury Regulations" means regulations promulgated by the U.S. Treasury Department under the Code.

1.2 Other Definitions. The following terms shall, when used in this Agreement, have the meanings assigned to such terms in the Sections indicated.

Term	Schedule
"Agreement"	Preamble
"Bridge Financing	8.12
"CCC"	2.1
"Certificate of Merger"	2.5
"Closing".	2.12
"Closing Date"	2.12
"Company Common Stock"	2.7(a)
"Company Certificates"	2.7(a)
"Company Financial Statements"	3.8
"Company Intellectual Property Rights"	3.6
"Company Option"	2.6(b)
"Conversion"	2.6(a)(ii)
"Current Market Price"	2.7(a)
"Dissenting Shares"	2.9
"Effective Time"	2.5
"Excluded Shares"	2.6(a)
"Material Company Contract"	3.4
"Material Feris Contract"	4.4
"Merger"	2.1
"Options"	3.2(b)
"Parties"	Preamble
"Preferred Shares"	2.6(a)(ii)
"Share Cancellation"	6.10
"Share Increase Authorization"	6.9
"Shareholder Meeting"	5.6
"Surviving Corporation"	2.1

ARTICLE II
THE MERGER

2.1 Merger; Surviving Corporation. In accordance with and subject to the provisions of this Agreement and the California Corporations Code ("CCC"), at the Effective Time, Merger Sub shall be merged with and into the Company (the "Merger"), and the Company shall be the surviving corporation in the Merger (hereinafter sometimes called the "Surviving Corporation") and shall continue its corporate existence under the laws of the State of California, and shall immediately effect a name change. At the Effective Time, the separate existence of the Company shall cease. All properties, franchises and rights belonging to the Company and Feris, by virtue of the Merger and without further act or deed, shall be vested in the Surviving Corporation, which shall thenceforth be responsible for all the liabilities and obligations of each of Feris and the Company. For avoidance of doubt, upon the Effective Time, the Company will become a wholly owned subsidiary of Feris.

2.2 Articles of Incorporation. The Company's articles of incorporation, as in effect at the Effective Time, shall continue in full force and effect as the articles of incorporation of the Surviving Corporation until altered or amended as provided therein or by law.

2.3 By Laws. The Company's by laws, as in effect at the Effective Time, shall be the by laws of the Surviving Corporation until altered, amended or repealed as provided therein or by law.

2.4 (Intentionally deleted)

2.5 Effective Time. The Merger shall become effective at the time and date that the certificate of merger of each of the Merger Sub and the Company (the "Certificate of Merger"), in form and substance acceptable to the Parties, is accepted for filing by the Secretary of State of the State of California in accordance with the provisions related thereto. The Certificate of Merger shall be executed by Merger Sub and the Company and delivered to the Secretary of State of the State of California for filing on the Closing Date. The date and time when the Merger becomes effective are referred to herein as the "Effective Time."

2.6 Merger Shares; Conversion and Cancellation of Securities.

(a) Conversion of Company Common Stock. At the Effective Time, all shares of Company Common Stock outstanding immediately before the Effective Time, other than shares described in Section 2.6(c) and other than Dissenting Shares (as defined in Section 2.9 below), collectively, the "Excluded Shares", shall be converted, by virtue of the Merger, into 36,000,000 shares of Feris Common Stock (the "Merger Shares") so that the holders of Company Common Stock will upon conversion of the Merger Shares own approximately 85.22% of Feris' issued and outstanding capital stock (on a fully diluted basis) as of the Effective Date after giving effect to the Merger and any shares issuable upon a possible conversion of the Convertible Note referred to in Section 8.7 below if such Note is converted after the Closing, subject to the following:

(i) The allocation of the Merger Shares among the Company Shareholders excluding the holders of Dissenting Shares shall be delivered to Feris at least one business day prior to the Closing;

At the Effective Time, all Company Shares shall no longer be outstanding and shall be cancelled and retired and shall cease to exist, and each certificate formerly representing any Company Common Stock (other than Excluded Shares) shall thereafter represent only the right to the Merger Shares and any distribution or dividend pursuant to Section .

(b) Stock Options. At the Effective Time, each outstanding option to purchase Company Common Stock (a "Company Option"), whether vested or unvested, shall be deemed to constitute an option to acquire, on the same terms and conditions as were applicable under such Company Option, the same number of shares of Feris Common Stock as the holder of such Company Option would have been entitled to receive pursuant to the Merger had such holder exercised such option in full immediately prior to the Effective Time (rounded up to the nearest whole number), at a price per share (rounded up to the nearest whole cent) equal to (i) the aggregate exercise price for the Company Common Stock otherwise purchasable pursuant to such Company Option divided by (ii) the number of full shares of Feris Common Stock deemed purchasable pursuant to such Company Option in accordance with the foregoing. At or prior to the Effective Time, Feris shall take all corporate action necessary to reserve for issuance a sufficient number of Feris Common Stock for delivery upon exercise of Company Options assumed by it in accordance with this Section.

(c) Treasury Shares, Etc. Each share of Company Common Stock held in the treasury of the Company and (each share of Company Common Stock, if any, held by Feris or of the Company immediately before the Effective Time) shall be cancelled and extinguished, and nothing shall be issued or paid in respect thereof.

(d) Fractional Shares. No certificates or scrip evidencing fractional shares of Feris Preferred Stock shall be issued in exchange for Company Common Stock. All fractional share amounts shall be rounded up to the nearest whole share.

2.7 Surrender of Company Certificates.

(a) Exchange Procedures. Promptly after the Effective Time, Feris or its appointed designee shall mail to each holder of a certificate or certificates of Company Common Stock ("Company Certificates") whose shares are converted into the right to receive the Merger Shares, (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Company Certificates shall pass to Feris, only upon delivery of the Company Certificates to Feris and which shall be in such form and have such other provisions as Feris may reasonably specify) and (ii) instructions for use in effecting the surrender of the Company Certificates in exchange for the Merger Shares and any dividends or other distributions pursuant to Section. Upon surrender of Company Certificates for cancellation to Feris, together with such letter of transmittal, duly completed and validly executed in accordance with the instructions thereto, the holders of such Company Certificates shall be entitled to receive the Merger Shares in exchange therefore and the Company Certificates so surrendered shall forthwith be canceled. Notwithstanding the foregoing, if any Company Certificate is lost, stolen, destroyed or mutilated, such holder shall provide evidence reasonably satisfactory to Feris as to such loss, theft, destruction or mutilation and an affidavit in form and substance satisfactory to Feris, and, thereupon, such holder shall be entitled to receive the Merger Shares in exchange therefore and the Company Certificates so surrendered shall forthwith be canceled.

(b) Required Withholding. In connection with any payment to any holder or former holder of the Company Common Stock, each of Feris and the Surviving Corporation shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable pursuant to this Agreement to any holder or former holder of the Company Common Stock such amounts as may be required to be deducted or withheld there from under the Code or under any provision of state, local or foreign tax law or under any other applicable laws. To the extent such amounts are so deducted or withheld, such amounts shall be treated for all purposes under this Agreement as having been paid to the person to whom such amounts would otherwise have been paid.

(c) No Liability. Notwithstanding anything to the contrary in this Section 2.7, neither Feris, the Surviving Corporation nor any party hereto shall be liable to any Person for any amount properly paid to a public official pursuant to any applicable abandoned property, escheat or similar law. If any Company Certificate shall not have been surrendered prior to the date immediately prior to the date on which such property would otherwise escheat to or become the property of any Governmental or Regulatory Authority, any such property, to the extent permitted by applicable law, shall become the property of the Surviving Corporation, free and clear of all claims or interest of any person previously entitled thereto.

(d) Termination. Any holders of the Company Certificates who have not complied with this ARTICLE II shall look only to Feris or the Surviving Corporation for, and Feris and the Surviving Corporation shall remain liable for, payment of their claim for Merger Shares and any dividends or distributions with respect to Feris Common Stock, without interest thereon.

2.8 Stock Transfer Books. At the Effective Time, the stock transfer books of the Company shall be closed, and there shall be no further registration of transfers of shares of Company Common Stock thereafter on the records of the Company.

2.9 Dissenting Shares. Shares of Company Common Stock which are issued and outstanding immediately prior to the Effective Time and which are held by persons who have properly exercised, and not withdrawn or waived, appraisal rights with respect thereto in accordance with the CCC (the "Dissenting Shares"), will not be converted into the right to receive the Merger Shares, and holders of such shares of Company Common Stock will be entitled, in lieu thereof, to receive payment of the appraised value of such shares of Company Common Stock in accordance with the provisions of the CCC unless and until such holders fail to perfect or effectively withdraw or lose their rights to appraisal and payment under the CCC. If, after the Effective Time, any such holder fails to perfect or effectively withdraws or loses such right, such shares of Company Common Stock will thereupon be treated as if they had been converted at the Effective Time into the right to receive the Merger Shares, without any interest thereon. The Company will give Feris prompt notice of any demands received by the Company for appraisal of shares of Company Common Stock. Prior to the Effective Time, the Company will not, except with the prior written consent of Feris make any payment with respect to, or settle or offer to settle, any such demands.

2.10 Restriction on Transfer. The Merger Shares may not be sold, transferred, or otherwise disposed of without registration under the Act or an exemption there from, and that in the absence of an effective registration statement covering the Merger Shares or any available exemption from registration under the Act, the Merger Shares must be held indefinitely. The Company Shareholders are aware that the Merger Shares may not be sold pursuant to Rule 144 promulgated under the Act unless all of the conditions of that Rule are met. Among the conditions for use of Rule 144 may be the availability of current information to the public about Feris.

2.11 Restrictive Legend. All certificates representing the Merger Shares shall contain the following legend:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE, ARE SUBJECT TO THE TERMS OF AN AGREEMENT AND PLAN OF MERGER, DATED AS OF AUGUST 8, 2007, BETWEEN FERIS INTERNATIONAL, INC., FERIS MERGER SUB, INC., PETER BERNEY AND PRO SPORTS & ENTERTAINMENT, INC., A COPY OF WHICH IS ON FILE IN THE PRINCIPAL OFFICE OF THE ISSUER. FURTHER, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF WITHOUT REGISTRATION UNDER THE ACT OR AN EXEMPTION THEREFROM."

2.12 Closing. The closing of the transactions contemplated by this Agreement and the Collateral Documents (the "Closing") shall take place at the offices of Troy & Gould, 1801 Century Park East, Sixteenth Floor, Los Angeles, California 90067, or at such other location as the parties may agree at 11:00 a.m., Pacific Time on the agreed date, which, shall be within sixty (60) days of the signing hereof (the "Closing Date").

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Feris that the statements contained in this ARTICLE III are correct and complete as of the date of this Agreement and, except as provided in Section 7.1, will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this ARTICLE III, except in the case of representations and warranties stated to be made as of the date of this Agreement or as of another date and except for changes contemplated or permitted by this Agreement).

3.1 Organization and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of its respective jurisdiction of organization. The Company has all requisite power and authority to own, lease and use its assets as they are currently owned, leased and used and to conduct its business as it is currently conducted. The Company is duly qualified or licensed to do business in and is in good standing in each jurisdiction in which the character of the properties owned, leased or used by it or the nature of the activities conducted by it make such qualification necessary, except any such jurisdiction where the failure to be so qualified or licensed would not have a Material Adverse Effect on the Company or a material adverse effect on the validity, binding effect or enforceability of this Agreement or the Collateral Documents or the ability of the Company to perform its obligations under this Agreement or any of the Collateral Documents.

3.2 Capitalization.

(a) The authorized capital stock and other ownership interests of the Company consist of 45,000,000 shares of common stock, of which thirteen million three hundred and eighty four thousand three hundred and fifty nine (13,575,541) shares were issued and outstanding as of the date hereof, and 0 shares of Preferred Stock, none of which are outstanding. All of the outstanding Company Common Stock have been duly authorized and are validly issued, fully paid and nonassessable. It is anticipated that the number of shares of Company Common Stock will increase as a result of private placements to be conducted after the date hereof.

(b) Schedule 3.2(b)(i) lists all outstanding or authorized options, warrants, purchase rights, preemptive rights or other contracts or commitments that could require the Company to issue, sell, or otherwise cause to become outstanding any of its capital stock or other ownership interests (collectively “Options”).

(c) All of the issued and outstanding shares of Company Common Stock have been duly authorized and are validly issued and outstanding, fully paid and nonassessable and have been issued in compliance with applicable securities laws and other applicable Legal Requirements or transfer restrictions under applicable securities laws.

3.3 Authority and Validity. The Company has all requisite corporate power to execute and deliver, to perform its obligations under, and to consummate the transactions contemplated by, this Agreement (subject to the approval of the Company Shareholders as contemplated by Section 5.4 and to receipt of any consents, approvals, authorizations or other matters referred to in Section 5.4). The execution and delivery by the Company of, the performance by the Company of its obligations under, and the consummation by the Company of the transactions contemplated by, this Agreement have been duly authorized by all requisite action of the Company (subject to the approval of the Company Shareholders as contemplated by Section 5.4). This Agreement has been duly executed and delivered by the Company and (assuming due execution and delivery by the Feris Parties and approval by the Company Shareholders) is the legal, valid, and binding obligation of the Company, enforceable against it in accordance with its terms, except that such enforcement may be subject to (i) bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to enforcement of creditors’ rights generally and (ii) general equitable principles. Upon the execution and delivery of the Collateral Documents by each Person (other than by the Feris Parties) that is required by this Agreement to execute, or that does execute, this Agreement or any of the Collateral Documents, and assuming due execution and delivery thereof by the Feris Parties, the Collateral Documents will be the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except that such enforcement may be subject to (i) bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to enforcement of creditors’ rights generally and (ii) general equitable principles.

3.4 No Breach or Violation. Subject to obtaining the consents, approvals, authorizations, and orders of and making the registrations or filings with or giving notices to Regulatory Authorities and Persons identified herein, the execution, delivery and performance by the Company of this Agreement and the Collateral Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby in accordance with the terms and conditions hereof and thereof, do not and will not conflict with, constitute a violation or breach of, constitute a default or give rise to any right of termination or acceleration of any right or obligation of the Company under, or result in the creation or imposition of any Encumbrance upon the Company, the Company Assets, the Company Business or the Company Common Stock by reason of the terms of (i) the articles of incorporation, by laws or other charter or organizational document of the Company or any Subsidiary of the Company, (ii) any material contract, agreement, lease, indenture or other instrument to which the Company is a party or by or to which the Company, or the Assets may be bound or subject and a violation of which would result in a Material Adverse Effect on the Company, (iii) any order, judgment, injunction, award or decree of any arbitrator or Regulatory Authority or any statute, law, rule or regulation applicable to the Company or (iv) any Permit of the Company, which in the case of (ii), (iii) or (iv) above would have a Material Adverse Effect on the Company or a material adverse effect on the validity, binding effect or enforceability of this Agreement or the Collateral Documents or the ability of the Company to perform its obligations under this Agreement or any of the Collateral Documents.

3.5 Consents and Approvals. No consent, approval, authorization or order of, registration or filing with, or notice to, any Regulatory Authority or any other Person is necessary to be obtained, made or given by the Company in connection with the execution, delivery and performance by the Company of this Agreement or any Collateral Document or for the consummation by the Company of the transactions contemplated hereby or thereby, except to the extent the failure to obtain any such consent, approval, authorization or order or to make any such registration or filing would not have a Material Adverse Effect on the Company or a material adverse effect on the validity, binding effect or enforceability of this Agreement or the Collateral Documents or the ability of the Company to perform its obligations under this Agreement or any of the Collateral Documents.

3.6 Intellectual Property. To the knowledge of the Company, the Company has good title to or the right to use all material company intellectual property rights and all material inventions, processes, designs, formulae, trade secrets and know how necessary for the operation of the Company Business without the payment of any royalty or similar payment.

3.7 Compliance with Legal Requirements. The Company has operated the Company Business in compliance with all Legal Requirements applicable to the Company except to the extent the failure to operate in compliance with all material Legal Requirements would not have a Material Adverse Effect on the Company or Material Adverse Effect on the validity, binding effect or enforceability of this Agreement or the Collateral Documents.

3.8 Financial Statements. Prior to the Closing Date, the Company shall provide Feris with audited balance sheets of the Company as of December 31, 2005 and December 31, 2006 and statements of operations, stockholders' equity and cash flows for the years then ended,. Such financial statements ("Company Financial Statements") have or will have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") applied on a basis consistent throughout all periods presented, present fairly in all material respects the financial condition of the Company and its results of operations as of the date and for the periods indicated.

3.9 Litigation. Except as set forth on Item 3.9 of the Disclosure Schedule, there are no outstanding judgments or orders against or otherwise affecting or related to the Company, the Company Business or the Company Assets and there is no action, suit, complaint, proceeding or investigation, judicial, administrative or otherwise, that is pending or, to the Company's knowledge, threatened that, if adversely determined, would have a Material Adverse Effect on the Company or a material adverse effect on the validity, binding effect or enforceability of this Agreement or the Collateral Documents, except as noted in the audited Company Financial Statements or documented by the Company to Feris.

3.10 Taxes. The Company has duly and timely filed in proper form all Tax Returns for all Taxes required to be filed with the appropriate Regulatory Authority, and has paid all taxes required to be paid in respect thereof except where such failure would not have a Material Adverse Effect on the Company, except where, if not filed or paid, the exception(s) have been documented by the Company to Feris.

3.11 Books and Records. The books and records of the Company accurately and fairly represent the Company Business and its results of operations in all material respects.

3.12 Brokers or Finders. Except as set forth on Item 3.12 of the Disclosure Schedule, all negotiations relative to this Agreement and the transactions contemplated hereby have been carried out by the Company or any of its Affiliates in connection with the transactions contemplated by this Agreement, and with the exception of certain Investment Banking fees, for which the Company is obligated, neither the Company, nor any of its Affiliates has incurred any obligation to pay any brokerage or finder's fee or other commission in connection with the transaction contemplated by this Agreement.

3.13 Proxies. Company management holds, or prior to the Closing will hold, irrevocable proxies from the Company Shareholders adequate to ensure Company Shareholder approval of the Merger as required by applicable law.

3.14 Disclosure. No representation or warranty of the Company in this Agreement or in the Collateral Documents and no statement in any certificate furnished or to be furnished by the Company pursuant to this Agreement contained, contains or will contain on the date such agreement or certificate was or is delivered, or on the Closing Date, any untrue statement of a material fact, or omitted, omits or will omit on such date to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

3.15 No Undisclosed Liabilities. The Company is not subject to any material liability (including unasserted claims), absolute or contingent, which is not shown or which is in excess of amounts shown or reserved for in the audited balance sheet as of December 31, 2006, other than liabilities of the same nature as those set forth in the Company Financial Statements and reasonably incurred in the ordinary course of its business after December 31, 2006.

3.16 Absence of Certain Changes. Except as set forth as Item 3.16 of the Company's Disclosure Schedule hereto, since December 31, 2006, the Company has not: (a) suffered any material adverse change in its financial condition, assets, liabilities or business; (b) contracted for or paid any capital expenditures; (c) incurred any indebtedness or borrowed money, issued or sold any debt or equity securities, declared any dividends or discharged or incurred any liabilities or obligations except in the ordinary course of business as heretofore conducted; (d) mortgaged, pledged or subjected to any lien, lease, security interest or other charge or encumbrance any of its properties or assets; (e) paid any material amount on any indebtedness prior to the due date, forgiven or cancelled any material amount on any indebtedness prior to the due date, forgiven or cancelled any material debts or claims or released or waived any material rights or claims; (f) suffered any damage or destruction to or loss of any assets (whether or not covered by insurance); (g) acquired or disposed of any assets or incurred any liabilities or obligations; (h) made any payments to its affiliates or associates or loaned any money to any person or entity; (i) formed or acquired or disposed of any interest in any corporation, partnership, limited liability company, joint venture or other entity; (j) entered into any employment, compensation, consulting or collective bargaining agreement or any other agreement of any kind or nature with any person. or group, or modified or amended in any respect the terms of any such existing agreement; (k) entered into any other commitment or transaction or experience any other event that relates to or affect in any way this Agreement or to the transactions contemplated hereby, or that has affected, or may adversely affect the Company's business, operations, assets, liabilities or financial condition; or (1) amended its Articles of Organization or By-laws, except as otherwise contemplated herein.

3.17 Contracts. Item 3.17 of the Company's Disclosure Schedule is a true and complete list of all contracts, agreements, leases, commitments or other understandings or arrangements, written or oral, express or implied, to which the Company is a party or by which it or any of its property is bound or affected requiring payments to or from, or incurring of liabilities by, the Company in excess of $100,000 (the "Contracts"). Except as set forth as Item 3.17 of the Company's Disclosure Schedule, the Company has complied with and performed, in all material respects, all of its obligations required to be performed under and is not in default with respect to any of the Contracts, as of the date hereof, nor bas any event occurred which has not been cured which, with or without the giving of notice, lapse of time, or both, would constitute a default in any respect there under. To the best knowledge of the Company, no other party has failed to comply with or perform, in all material respects, any of its obligations required to be performed under or is in material default with respect to any such Contracts, as of the date hereof, nor has any event occurred which, with or without the giving of notice, lapse of time or both, would constitute a material default in any respect by such party there under. Except as set forth as Item 3.17 of the Company's Disclosure Schedule, the Company knows of and has no reason to believe that there are any facts or circumstances which would make a material default by any party to any contract or obligation likely to occur subsequent to the date hereof.

3.18 Permits and Licenses. The Company has all certificates of occupancy, rights, permits, certificates, licenses, franchises, approvals and other authorizations as are reasonably necessary to conduct its business and to own, lease, use, operate and occupy its assets, at the places and in the manner now conducted and operated, except those the absence of which would not materially adversely affect its business. The Company has not received any written or oral notice or claim pertaining to the failure to obtain any material permit, certificate, license, approval or other authorization required by any federal, state or local agency or other regulatory body, the failure of which to obtain would materially and adversely affect its business.

3.19 Assets Necessary to Business. The Company owns or leases all properties and assets, real, personal, and mixed, tangible and intangible, and is a party to all licenses, permits and other agreements necessary to permit it to carry on its business as presently conducted.

3.20 Labor Agreements and Labor Relations. The Company has no collective bargaining or union contracts or agreements. The Company is in compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and is not engaged in any unfair labor practices; there are no charges of discrimination or unfair labor practice charges" or complaints against the Company pending or threatened before any governmental or regulatory agency or authority; and, there is no labor strike, dispute, slowdown or stoppage actually pending or threatened against or affecting the Company.

3.21 Employment Arrangements. Except as set forth as Item 3.21 of the Company's Disclosure Schedule hereto, the Company has no employment or consulting agreements or arrangements, written or oral, which are not terminable at the will of the Company, or any pension, profit-sharing, option, other incentive plan, or any other type of employment benefit plan as defined in ERISA or otherwise, or any obligation to or customary arrangement with employees for bonuses, incentive compensation, vacations, severance pay, insurance or other benefits. No employee of the Company is in violation of any employment agreement or restrictive covenant.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE Feris PARTIES

Each of the Feris Parties, jointly and severally, represents and warrants to the Company that the statements contained in this ARTICLE IV are correct and complete as of the date of this Agreement and, except as provided in Section 8.1, will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this ARTICLE IV, except in the case of representations and warranties stated to be made as of the date of this Agreement or as of another date and except for changes contemplated or permitted by the Agreement).

4.1 Organization and Qualification. Each of Feris and Merger Sub is a corporation duly organized, validly existing and in good standing under the laws of Nevada and California, respectively. Each of Feris and Merger Sub has all requisite power and authority to own, lease and use its assets as they are currently owned, leased and used and to conduct its business as it is currently conducted. Feris is duly qualified or licensed to do business in and are each in good standing in each jurisdiction in which the character of the properties owned, leased or used by it or the nature of the activities conducted by it makes such qualification necessary, except any such jurisdiction where the failure to be so qualified or licensed and in good standing would not have a Material Adverse Effect on Feris or a Material Adverse Effect on the validity, binding effect or enforceability of this Agreement or the Collateral Documents or the ability of the Company or Feris to perform its obligations under this Agreement or any of the Collateral Documents.

4.2 Capitalization.

(a) The authorized capital stock of Feris consists of 200,000,000 shares of Common Stock of which there are 240,474 shares issued and outstanding. The shares of Feris Common Stock included in the Merger Shares, when issued in accordance with this Agreement, will have been duly authorized, validly issued and outstanding and will be fully paid and non-assessable. Immediately upon execution hereon.

(b) Schedule 4.2(b) lists all outstanding or authorized options, warrants, purchase rights, preemptive rights or other contracts or commitments that could require Feris or any of its Subsidiaries to issue, sell, or otherwise cause to become outstanding any of its capital stock or other ownership interests.

(c) All of the issued and outstanding shares of Feris Capital Stock have been duly authorized and are validly issued and outstanding, fully paid and nonassessable (with respect to Subsidiaries that are corporations) and have been issued in compliance with applicable securities laws and other applicable Legal Requirements.

4.3 Authority and Validity. Each Feris Party has all requisite power to execute and deliver, to perform its obligations under, and to consummate the transactions contemplated by, this Agreement and the Collateral Documents. The execution and delivery by each Feris Party of the performance by each Feris Party of its obligations under, and the consummation by each Feris Party of the transactions contemplated by, this Agreement and the Collateral Documents have been duly authorized by all requisite action of each Feris Party. This Agreement has been duly executed and delivered by each of the Feris Parties and (assuming due execution and delivery by the Company) is the legal, valid and binding obligation of each Feris Party, enforceable in accordance with its terms except that such enforcement may be subject to (i) bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally and (ii) general equitable principles. Upon the execution and delivery by each of the Feris Parties of the Collateral Documents to which each of them is a party, and assuming due execution and delivery thereof by the other parties thereto, the Collateral Documents will be the legal, valid and binding obligations of each such Person, as the case may be, enforceable against each of them in accordance with their respective terms except that such enforcement may be subject to (i) bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally and (ii) general equitable principles.

4.4 No Breach or Violation. Subject to obtaining the consents, approvals, authorizations, and orders of and making the registrations or filings with or giving notices to Regulatory Authorities and Persons identified herein, the execution, delivery and performance by the Feris Parties of this Agreement and the Collateral Documents to which each is a party and the consummation of the transactions contemplated hereby and thereby in accordance with the terms and conditions hereof and thereof, do not and will not conflict with, constitute a violation or breach of, constitute a default or give rise to any right of termination or acceleration of any right or obligation of any Feris Party under, or result in the creation or imposition of any Encumbrance upon the property of any Feris Party by reason of the terms of (i) the articles of incorporation, by laws or other charter or organizational document of any Feris Party, (ii) any contract, agreement, lease, indenture or other instrument to which any Feris Party is a party or by or to which any Feris Party or its property may be bound or subject and a violation of which would result in a Material Adverse Effect on Feris taken as a whole, (iii) any order, judgment, injunction, award or decree of any arbitrator or Regulatory Authority or any statute, law, rule or regulation applicable to any Feris Party or (iv) any Permit of Feris or Merger Sub, which in the case of (ii), (iii) or (iv) above would have a Material Adverse Effect on Feris or a material adverse effect on the validity, binding effect or enforceability of this Agreement or the Collateral Documents or the ability of any Feris Party to perform its obligations hereunder or there under.

4.5 Consents and Approvals. Except for requirements under applicable United States or state securities laws, no consent, approval, authorization or order of, registration or filing with, or notice to, any Regulatory Authority or any other Person is necessary to be obtained, made or given by any Feris Party in connection with the execution, delivery and performance by them of this Agreement or any Collateral Documents or for the consummation by them of the transactions contemplated hereby or thereby, except to the extent the failure to obtain such consent, approval, authorization or order or to make such registration or filings or to give such notice would not have a Material Adverse Effect on Feris or a material adverse effect on the validity, binding effect or enforceability of this Agreement or the Collateral Documents or the ability of the Company or Feris to perform its obligations under this Agreement or any of the Collateral Documents.

4.6 Compliance with Legal Requirements. Feris has operated the Feris Business in compliance with all material Legal Requirements including, without limitation, the Exchange Act and the Securities Act applicable to Feris, except to the extent the failure to operate in compliance with all material Legal Requirements, would not have a Material Adverse Effect on Feris or a Material Adverse Effect on the validity, binding effect or enforceability of this Agreement or the Collateral Documents.

4.7 Litigation. There are no outstanding judgments or orders against or otherwise affecting or related to Feris, or their business or assets; and there is no action, suit, complaint, proceeding or investigation, judicial, administrative or otherwise, that is pending or, to the best knowledge of Feris, threatened that, if adversely determined, would have a Material Adverse Effect on Feris or a material adverse effect on the validity, binding effect or enforceability of this Agreement or the Collateral Documents.

4.8 Ordinary Course. Since the date of the balance sheet included in the most recent Feris Securities Filings filed through the date hereof, there has not been any occurrence, event, incident, action, failure to act or transaction involving Feris which is reasonably likely, individually or in the aggregate, to have a Material Adverse Effect on Feris.

4.9 Assets and Liabilities. As of the date of this Agreement, neither Feris nor any of its Subsidiaries has any Assets or Liability, except for the (i) Assets and Liabilities disclosed in the balance sheet included in the most recent Feris Securities Filings filed through the date hereof or disclosed on Schedule 4.9 and (ii) Liabilities incurred in connection with this Agreement.

4.10 Taxes. Feris has, and each of its Subsidiaries has, duly and timely filed in proper form all Tax Returns for all Taxes required to be filed with the appropriate Governmental Authority, except where such failure to file would not have a Material Adverse Effect on Feris.

4.11 Books and Records. The books and records of Feris and its Subsidiaries accurately and fairly represent the Feris Business and its results of operations in all material respects. All accounts receivable and inventory of the Feris Business are reflected properly on such books and records in all material respects.

4.12 Financial and Other Information.

For at least the past five full fiscal years, Feris has not conducted any business, generated any revenues or incurred any liabilities except for liabilities not to exceed $85,000 for maintaining the corporate books and records which liabilities are evidenced by a convertible note (the "Convertible Note").

4.13 Brokers or Finders. Except as set forth in Item 4.13 of the Disclosure Schedule, no broker or finder has acted directly or indirectly for Feris in connection with the transactions contemplated by this Agreement, and Feris has not incurred any obligation to pay any brokerage or finder's fee or other commission in connection with the transaction contemplated by this Agreement.

4.14 Disclosure. No representation or warranty of Feris in this Agreement or in the Collateral Documents and no statement in any certificate furnished or to be furnished by Feris pursuant to this Agreement contained, contains or will contain on the date such agreement or certificate was or is delivered, or on the Closing Date, any untrue statement of a material fact, or omitted, omits or will omit on such date to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

4.15 Conduct of Business. Prior to the Closing Date, Feris shall conduct its business in the normal course, and shall not sell, pledge, or assign any assets, without the prior written approval of the Company, except in the regular course of business. Except as otherwise provided herein, Feris shall not amend its Articles of Incorporation or By-Laws, declare dividends, redeem or sell stock or other securities, acquire or dispose of fixed assets, change employment terms, enter into any material or long-term contract, guarantee obligations of any third party, settle or discharge any material balance sheet receivable for less than its stated amount, pay more on any liability than its stated amount or enter into any other transaction other than in the regular course of business.

ARTICLE V
COVENANTS OF THE COMPANY

Between the date of this Agreement and the Closing Date:

5.1 Additional Information. The Company shall provide to Feris and its Representatives such financial, operating and other documents, data and information relating to the Company, the Company Business and the Company Assets and Liabilities of the Company, as Feris or its Representatives may reasonably request. In addition, the Company shall take all action necessary to enable Feris and its Representatives to review, inspect and audit the Company Assets, the Company Business and Liabilities of the Company and discuss them with the Company's officers, employees, independent accountants, customers, licensees, and counsel. Notwithstanding any investigation that Feris may conduct of the Company, the Company Business, the Company Assets and the Liabilities of the Company, Feris may fully rely on the Company's warranties, covenants and indemnities set forth in this Agreement.

5.2 Consents and Approvals. As soon as practicable after execution of this Agreement, the Company shall use commercially reasonable efforts to obtain any necessary consent, approval, authorization or order of, make any registration or filing with or give any notice to, any Regulatory Authority or Person as is required to be obtained, made or given by the Company to consummate the transactions contemplated by this Agreement and the Collateral Documents.

5.3 Non-circumvention. It is understood that in connection with the transactions contemplated hereby, Feris has been and will be seeking to find investors willing to provide loans and/or capital investments to finance business plans. In connection therewith, the Company will not, and it will cause its directors, officers, employees, agents and representatives not to attempt, directly or indirectly, (i) to contact any party introduced to it by Feris, or (ii) deal with, or otherwise become involved in any transaction with any party which has been introduced to it by Feris, without the express written permission of the introducing party and without having entered into a commission agreement with the introducing party. Any violation of the covenant shall be deemed an attempt to circumvent Feris, and the party so violating this covenant shall be liable for damages in favor of the circumvented party.

5.4 No Solicitations. From and after the date of this Agreement until the Effective Time or termination of this Agreement pursuant to ARTICLE X, the Company will not nor will it authorize or permit any of its officers, directors, affiliates or employees or any investment banker, attorney or other advisor or representative retained by it, directly or indirectly, (i) solicit or initiate the making, submission or announcement of any other acquisition proposal, (ii) participate in any discussions or negotiations regarding, or furnish to any person any non public information with respect to any other acquisition proposal, (iii) engage in discussions with any Person with respect to any other acquisition proposal, except as to the existence of these provisions, (iv) approve, endorse or recommend any other acquisition proposal or (v) enter into any letter of intent or similar document or any contract agreement or commitment contemplating or otherwise relating to any other acquisition proposal.

5.5 Notification of Adverse Change. The Company shall promptly notify Feris of any material adverse change in the condition (financial or otherwise) of the Company.

5.6 Meeting of the Company Shareholders. Promptly after the date hereof, if required under applicable law, the Company will take all action necessary in accordance with its articles of incorporation and by-laws to convene a meeting of the Company's shareholders to consider the adoption and approval of this Agreement and approval of the Merger to be held as promptly as practicable. The Company will use its reasonable efforts to solicit from its shareholders proxies in favor of the adoption and approval of this Agreement and the approval of the Merger and will take all other action necessary or advisable to secure the vote or consent of its shareholders required by the CCC to obtain such approvals. In lieu of such meeting, the adoption and approval of this Agreement and the Merger may be approved by shareholder consent.

5.7 Notification of Certain Matters. The Company shall promptly notify Feris of any fact, event, circumstance or action known to it that is reasonably likely to cause the Company to be unable to perform any of its covenants contained herein or any condition precedent in ARTICLE VII not to be satisfied, or that, if known on the date of this Agreement, would have been required to be disclosed to Feris pursuant to this Agreement or the existence or occurrence of which would cause any of the Company's representations or warranties under this Agreement not to be correct and/or complete. The Company shall give prompt written notice to Feris of any adverse development causing a breach of any of the representations and warranties in ARTICLE III as of the date made.

5.8 Company Disclosure Schedule. The Company shall, from time to time prior to Closing, supplement the Company Disclosure Statement with additional information that, if existing or known to it on the date of delivery to Feris, would have been required to be included therein. For purposes of determining the satisfaction of any of the conditions to the obligations of Feris in ARTICLE VII, the Company Disclosure Statement shall be deemed to include only (a) the information contained therein on the date of this Agreement and (b) information added to the Company Disclosure Statement by written supplements delivered prior to Closing by the Company that (i) are accepted in writing by Feris, or (ii) reflect actions taken or events occurring after the date hereof prior to Closing.

5.9 State Statutes. The Company and its Board of Directors shall, if any state takeover statute or similar law is or becomes applicable to the Merger, this Agreement or any of the transactions contemplated by this Agreement, use all reasonable efforts to ensure that the Merger and the other transactions contemplated by this Agreement may be consummated as promptly as practicable on the terms contemplated by this Agreement and otherwise to minimize the effect of such statute or regulation on the Merger, this Agreement and the transactions contemplated hereby.

5.10 Conduct of Business. Prior to the Closing Date, the Company shall conduct its business in the normal course, and shall not sell, pledge, or assign any assets, without the prior written approval of Feris, except in the regular course of business. Except as otherwise provided herein, the Company shall not amend its Articles of Incorporation or Bylaws, declare dividends, redeem or sell stock or other securities, acquire or dispose of fixed assets, change employment terms, enter into any material or long-term contract, guarantee obligations of any third party, settle or discharge any material balance sheet receivable for less than its stated amount, pay more on any liability than its stated amount, or enter into any other transaction other than in the regular course of business.

ARTICLE VI
COVENANTS OF FERIS

Between the date of this Agreement and the Closing Date,

6.1 Additional Information. Feris shall provide to the Company and its Representatives such financial, operating and other documents, data and information relating to Feris,, the Feris Business and the Feris Assets and the Liabilities of Feris and its Subsidiaries, as the Company or its Representatives may reasonably request. In addition, the Company shall take all action necessary to enable the Company and its Representatives to review and inspect the Feris Assets, the Feris Business and the Liabilities of Feris and discuss them with the Company's officers, employees, independent accountants and counsel. Notwithstanding any investigation that the Company may conduct of Feris, the Feris Business, the Feris Assets and the Liabilities of Feris, the Company may fully rely on Feris's warranties, covenants and indemnities set forth in this Agreement.

6.2 No Solicitations. From and after the date of this Agreement until the Effective Time or termination of this Agreement pursuant to ARTICLE X, Feris will not nor will it authorize or permit any of its officers, directors, affiliates or employees or any investment banker, attorney or other advisor or representative retained by it, directly or indirectly, (i) solicit or initiate the making, submission or announcement of any other acquisition proposal, (ii) participate in any discussions or negotiations regarding, or furnish to any person any non public information with respect to any other acquisition proposal, (iii) engage in discussions with any Person with respect to any other acquisition proposal, except as to the existence of these provisions, (iv) approve, endorse or recommend any other acquisition proposal or (v) enter into any letter of intent or similar document or any contract agreement or commitment contemplating or otherwise relating to any other acquisition proposal.

6.3 Notification of Adverse Change. Feris shall promptly notify the Company of any material adverse change in the condition (financial or otherwise) of Feris.

6.4 Consents and Approvals. As soon as practicable after execution of this Agreement, Feris shall use its commercially reasonable efforts to obtain any necessary consent, approval, authorization or order of, make any registration or filing with or give notice to, any Regulatory Authority or Person as is required to be obtained, made or given by Feris to consummate the transactions contemplated by this Agreement and the Collateral Documents.

6.5 Notification of Certain Matters. Feris shall promptly notify the Company of any fact, event, circumstance or action known to it that is reasonably likely to cause Feris to be unable to perform any of its covenants contained herein or any condition precedent not to be satisfied, or that, if known on the date of this Agreement, would have been required to be disclosed to the Company pursuant to this Agreement or the existence or occurrence of which would cause Feris's representations or warranties under this Agreement not to be correct and/or complete. Feris shall give prompt written notice to the Company of any adverse development causing a breach of any of the representations and warranties in ARTICLE IV.

6.6 Feris Disclosure Schedule. Feris shall, from time to time prior to Closing, supplement the Feris Disclosure Statement with additional information that, if existing or known to it on the date of this Agreement, would have been required to be included therein. For purposes of determining the satisfaction of any of the conditions to the obligations of the Company in Article VII, the Feris Disclosure Statement shall be deemed to include only (a) the information contained therein on the date of delivery to the Company and (b) information added to the Feris Disclosure Statement by written supplements delivered prior to Closing by Feris that (i) are accepted in writing by the Company or (ii) reflect actions taken or events occurring after the date hereof and prior to Closing.

6.7 Securities Filings. Feris will timely file all reports and other documents relating to the operation of Feris required to be filed with the Securities and Exchange Commission, which reports and other documents do not and will not contain any misstatement of a material fact, and do not and will not omit any material fact necessary to make the statements therein not misleading.

6.8 Election to Feris's Board of Directors. At the Effective Time of the Merger, Feris shall take all steps necessary so that there will be a one (1) continuing director (the "Feris Director") and the remaining directors designated by the Company.

6.9 Meeting of the Feris Shareholders. Promptly after the date hereof, if required under applicable law, Feris will take all action necessary in accordance with its articles of incorporation and by-laws to convene a meeting of Feris's shareholders to consider the adoption and approval of this Agreement, approval of the Merger and a name change to a name as designated by the Company (the "Merger Authorization") to be held as promptly as practicable. Feris will use its reasonable efforts to solicit from its shareholders proxies in favor of the adoption and approval of this Agreement, the approval of the Merger Authorization and will take all other action necessary or advisable to secure the vote or consent of its shareholders required by the Nevada law to obtain such approvals. In lieu of such meeting, the adoption and approval of this Agreement, the Merger Authorization may be approved by shareholder consent.

6.10 Reporting Obligations. Feris shall take all steps necessary to bring its reporting obligations current as of the Closing.

ARTICLE VII
CONDITIONS PRECEDENT TO OBLIGATIONS OF THE FERIS PARTIES

All obligations of the Feris Parties under this Agreement shall be subject to the fulfillment at or prior to Closing of each of the following conditions, it being understood that the Feris Parties may, in their sole discretion, to the extent permitted by applicable Legal Requirements, waive any or all of such conditions in whole or in part.

7.1 Accuracy of Representations. All representations and warranties of the Company contained in this Agreement, the Collateral Documents and any certificate delivered by any of the Company at or prior to Closing shall be, if specifically qualified by materiality, true in all respects and, if not so qualified, shall be true in all material respects, in each case on and as of the Closing Date with the same effect as if made on and as of the Closing Date, except for representations and warranties expressly stated to be made as of the date of this Agreement or as of another date other than the Closing Date and except for changes contemplated or permitted by this Agreement. The Company shall have delivered to Feris a certificate dated the Closing Date to the foregoing effect.

7.2 Covenants. The Company shall, in all material respects, have performed and complied with each of the covenants, obligations and agreements contained in this Agreement and the Collateral Documents that are to be performed or complied with by them at or prior to Closing. The Company shall have delivered to Feris a certificate dated the Closing Date to the foregoing effect.

7.3 Consents and Approvals. All consents, approvals, permits, authorizations and orders required to be obtained from, and all registrations, filings and notices required to be made with or given to, any Regulatory Authority or Person as provided herein.

7.4 Delivery of Documents. The Company shall have delivered, or caused to be delivered, to Feris the following documents:

(i) Certified copies of the Company articles of incorporation and by laws and certified resolutions of the board of directors and Shareholders of the Company authorizing the execution of this Agreement and the Collateral Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby.

(ii) Such other documents and instruments as Feris may reasonably request: (A) to evidence the accuracy of the Company's representations and warranties under this Agreement, the Collateral Documents and any documents, instruments or certificates required to be delivered hereunder; (B) to evidence the performance by the Company of, or the compliance by the Company with, any covenant, obligation, condition and agreement to be performed or complied with by the Company under this Agreement and the Collateral Documents; or (C) to otherwise facilitate the consummation or performance of any of the transactions contemplated by this Agreement and the Collateral Documents.

7.5 No Material Adverse Change. Since the date hereof, there shall have been no material adverse change in the Company Assets, the Company Business or the financial condition or operations of the Company, taken as a whole.

ARTICLE VIII
CONDITIONS PRECEDENT TO OBLIGATIONS OF THE COMPANY

All obligations of the Company under this Agreement shall be subject to the fulfillment at or prior to Closing of the following conditions, it being understood that the Company may, in its sole discretion, to the extent permitted by applicable Legal Requirements, waive any or all of such conditions in whole or in part.

8.1 Accuracy of Representations. All representations and warranties of Feris contained in this Agreement and the Collateral Documents and any other document, instrument or certificate delivered by any of Feris at or prior to the Closing shall be, if specifically qualified by materiality, true and correct in all respects and, if not so qualified, shall be true and correct in all material respects, in each case on and as of the Closing Date with the same effect as if made on and as of the Closing Date, except for representations and warranties expressly stated to be made as of the date of this Agreement or as of another date other than the Closing Date and except for changes contemplated or permitted by this Agreement. Feris shall have delivered to the Company a certificate dated the Closing Date to the foregoing effect.

8.2 Covenants. Feris shall, in all material respects, have performed and complied with each obligation, agreement, covenant and condition contained in this Agreement and the Collateral Documents and required by this Agreement and the Collateral Documents to be performed or complied with by Feris at or prior to Closing. Feris shall have delivered to the Company a certificate dated the Closing Date to the foregoing effect.

8.3 Consents and Approvals. All consents; approvals, authorizations and orders required to be obtained from, and all registrations, filings and notices required to be made with or given to, any Regulatory Authority or Person as provided herein.

8.4 Delivery of Documents. Feris, as applicable, shall have executed and delivered, or caused to be executed and delivered, to the Company the following documents:

(i) Certified copies of the articles of incorporation and by laws of Feris and certified resolutions by the board of directors authorizing the execution of this Agreement and the Collateral Documents and the consummation of the transactions contemplated hereby.

(ii) Such other documents and instruments as the Company may reasonably request: (A) to evidence the accuracy of the representations and warranties of Feris under this Agreement and the Collateral Documents and any documents, instruments or certificates required to be delivered hereunder; (B) to evidence the performance by Feris of, or the compliance by Feris with, any covenant, obligation, condition and agreement to be performed or complied with by Feris under this Agreement and the Collateral Documents; or (C) to otherwise facilitate the consummation or performance of any of the transactions contemplated by this Agreement and the Collateral Documents, including:

(iii) Letters of resignation from Feris's current officers and, as provided in Section 6.8,directors to be effective upon the Closing.

(iv) Board resolutions from Feris's current directors appointing the designees of the Company to Feris's board of directors.

8.5 No Material Adverse Change. There shall have been no material adverse change in the business, financial condition or operations of Feris and its Subsidiaries taken as a whole.

8.6 No Litigation. No action, suit or proceeding shall be pending or threatened by or before any Regulatory Authority and no Legal Requirement shall have been enacted, promulgated or issued or deemed applicable to any of the transactions contemplated by this Agreement and the Collateral Documents that would: (i) prevent consummation of any of the transactions contemplated by this Agreement and the Collateral Documents; (ii) cause any of the transactions contemplated by this Agreement and the Collateral Documents to be rescinded following consummation; or (iii) have a Material Adverse Effect on Feris.

8.7 No Assets & Liabilities. Feris shall have no assets nor liabilities except for the Convertible Note which Note may be convertible into 6,000,000 shares of the Common Stock of Feris.

8.8 Exchange Act Requirements. Feris shall have complied with the provisions of Rule 14f-1 of the Exchange Act, if necessary and shall be current in all of its securities filings.

8.9 Dissenters' Rights. Not more than $25,000 in claims shall have been asserted in connection with dissenters' approval rights under the CCC in connection with the Merger.

8.10 Leakage Agreement. The holders of the shares of Ferris Common Stock which may be issued if the Convertible Note is converted shall have entered into a Leakage Agreement on terms acceptable to the Company.

8.11 Feris Shareholder Approval. All shareholder approval shall have been obtained to approve the transactions contemplated hereunder including the approval of the Merger Agreement.

ARTICLE IX
INDEMNIFICATION

9.1 Indemnification by the Company. The Company shall indemnify, defend and hold harmless (i) Feris, (ii) each of Feris's assigns and successors in interest to the Company Shares, and (iii) each of their respective shareholders, members, partners, directors, officers, managers, employees, agents, attorneys and representatives, from and against any and all Losses which may be incurred or suffered by any such party and which may arise out of or result from any breach of any material representation, warranty, covenant or agreement of the Company contained in this Agreement. All claims to be assorted hereunder must be made for the first anniversary of the Closing.

9.2 Indemnification by the Feris Parties. The Feris Parties shall indemnify, defend and hold harmless the Company and each of the Company Shareholders from and against any and all Losses which may be incurred or suffered by any such party hereto and which may arise out of or result from any breach of any material representation, warranty, covenant or agreement of the Feris Parties contained in this Agreement. All claims to be assorted hereunder must be made for the first anniversary of the Closing.

9.3 Notice to Indemnifying Party. If any party (the "Indemnified Party") receives notice of any claim or other commencement of any action or proceeding with respect to which any other party (or parties) (the "Indemnifying Party") is obligated to provide indemnification pursuant to Sections 9.1 or 9.2, the Indemnified Party shall promptly give the Indemnifying Party written notice thereof, which notice shall specify in reasonable detail, if known, the amount or an estimate of the amount of the liability arising here from and the basis of the claim. Such notice shall be a condition precedent to any liability of the Indemnifying Party for indemnification hereunder, but the failure of the Indemnified Party to give prompt notice of a claim shall not adversely affect the Indemnified Party's right to indemnification hereunder unless the defense of that claim is materially prejudiced by such failure. The Indemnified Party shall not settle or compromise any claim by a third party for which it is entitled to indemnification hereunder without the prior written consent of the Indemnifying Party (which shall not be unreasonably withheld or delayed) unless suit shall have been instituted against it and the Indemnifying Party shall not have taken control of such suit after notification thereof as provided in Section 9.4.

9.4 Defense by Indemnifying Party. In connection with any claim giving rise to indemnity hereunder resulting from or arising out of any claim or legal proceeding by a Person who is not a party to this Agreement, the Indemnifying Party at its sole cost and expense may, upon written notice to the Indemnified Party, assume the defense of any such claim or legal proceeding (i) if it acknowledges to the Indemnified Party in writing its obligations to indemnify the Indemnified Party with respect to all elements of such claim (subject to any limitations on such liability contained in this Agreement) and (ii) if it provides assurances, reasonably satisfactory to the Indemnified Party, that it will be financially able to satisfy such claims in full if the same are decided adversely. If the Indemnifying Party assumes the defense of any such claim or legal proceeding, it may use counsel of its choice to prosecute such defense, subject to the approval of such counsel by the Indemnified Party, which approval shall not be unreasonably withheld or delayed. In this regard, Troy & Gould LLP is hereby approved by Feris as counsel to the Company (in its capacity as the Indemnifying Party). The Indemnified Party shall be entitled to participate in (but not control) the defense of any such action, with its counsel and at its own expense; provided, however, that if the Indemnified Party, in its sole discretion, determines that there exists a conflict of interest between the Indemnifying Party (or any constituent party thereof) and the Indemnified Party, the Indemnified Party (or any constituent party thereof) shall have the right to engage separate counsel, the reasonable costs and expenses of which shall be paid by the Indemnified Party. If the Indemnifying Party assumes the defense of any such claim or legal proceeding, the Indemnifying Party shall take all steps necessary to pursue the resolution thereof in a prompt and diligent manner. The Indemnifying Party shall be entitled to consent to a settlement of, or the stipulation of any judgment arising from, any such claim or legal proceeding, with the consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed; provided, however, that no such consent shall be required from the Indemnified Party if (i) the Indemnifying Party pays or causes to be paid all Losses arising out of such settlement or judgment concurrently with the effectiveness thereof (as well as all other Losses theretofore incurred by the Indemnified Party which then remain unpaid or unreimbursed), (ii) in the case of a settlement, the settlement is conditioned upon a complete release by the claimant of the Indemnified Party and (iii) such settlement or judgment does not require the encumbrance of any asset of the Indemnified Party or impose any restriction upon its conduct of business.

ARTICLE X
TERMINATION

10.1 Termination. This Agreement may be terminated, and the transactions contemplated hereby may be abandoned, at any time prior to the Effective Time.

(a) by mutual written agreement of Feris and the Company hereto duly authorized by action taken by or on behalf of their respective Boards of Directors; or

(b) by either the Company or Feris upon notification to the non terminating party by the terminating party:

(i) if the terminating party is not in material breach of its obligations under this Agreement and there has been a material breach of any representation, warranty, covenant or agreement on the part of the non terminating party set forth in this Agreement such that the conditions in Sections 7.1, 7.2, 8.1 or 8.2 will not be satisfied; provided, however, that if such breach is curable by the non terminating party and such cure is reasonably likely to be completed prior to the date specified in Section 10.1(b)(i), then, for so long as the non terminating party continues to use commercially reasonable efforts to effect and cure, the terminating party may not terminate pursuant to this Section 10.1(b)(i);

(ii) if the Closing has not transpired on or before September 30, 2007.

(iii) if any court of competent jurisdiction or other competent Governmental or Regulatory Authority shall have issued an order making illegal or otherwise permanently restricting, preventing or otherwise prohibiting the Merger and such order shall have become final; or

10.2 Effect of Termination. If this Agreement is validly terminated by either the Company or Feris pursuant to Section 10.1, this Agreement will forthwith become null and void and there will be no liability or obligation on the part of the parties hereto, except that nothing contained herein shall relieve any party hereto from liability for willful breach of its representations, warranties, covenants or agreements contained in this Agreement.

ARTICLE XI
MISCELLANEOUS

11.1 Parties Obligated and Benefited. This Agreement shall be binding upon the Parties and their respective successors by operation of law and shall inure solely to the benefit of the Parties and their respective successors by operation of law, and no other Person shall be entitled to any of the benefits conferred by this Agreement, except that the Company Shareholders shall be third party beneficiaries of this Agreement. Without the prior written consent of the other Party, no Party may assign this Agreement or the Collateral Documents or any of its rights or interests or delegate any of its duties under this Agreement or the Collateral Documents.

11.2 Publicity. The initial press release shall be a joint press release and thereafter the Company and Feris each shall consult with each other prior to issuing any press releases or otherwise making public announcements with respect to the Merger and the other transactions contemplated by this Agreement and prior to making any filings with any third party and/or any Regulatory Authorities (including any national securities inter dealer quotation service) with respect thereto, except as may be required by law or by obligations pursuant to any listing agreement with or rules of any national securities inter dealer quotation service.

11.3 Notices. Any notices and other communications required or permitted hereunder shall be in writing and shall be effective upon delivery by hand or upon receipt if sent by certified or registered mail (postage prepaid and return receipt requested) or by a nationally recognized overnight courier service (appropriately marked for overnight delivery) or upon transmission if sent by telex or facsimile (with request for immediate confirmation of receipt in a manner customary for communications of such respective type and with physical delivery of the communication being made by one or the other means specified in this Section as promptly as practicable thereafter). Notices shall be addressed as follows:

If to Feris and/or the Shareholder to:

Patty Linson
3155 E. Patrick Lane, Suite 1
Las Vegas, NV 89120
Facsimile No: (702) 492-9413

If to the Company to:

Pro Sports & Entertainment, Inc.
811 Wilshire Boulevard
Los Angeles, California 90017
Attention: Paul Feller
President & Chief Executive Officer
Facsimile No: (213) 996-7766

With a copy to:

Troy & Gould LLC
1801 Century Park East, Suite 1600
Los Angeles, California 90067-4746
Attention: David L. Ficksman, Esq.
Facsimile No: (310) 789-1490

Any Party may change the address to which notices are required to be sent by giving notice of such change in the manner provided in this Section.

11.4 Attorneys' Fees. In the event of any action or suit based upon or arising out of any alleged breach by any Party of any representation, warranty, covenant or agreement contained in this Agreement or the Collateral Documents, the prevailing Party shall be entitled to recover reasonable attorneys' fees and other costs of such action or suit from the other Party.

11.5 Headings. The Article and Section headings of this Agreement are for convenience only and shall not constitute a part of this Agreement or in any way affect the meaning or interpretation thereof.

11.6 Choice of Law. This Agreement and the rights of the Parties under it shall be governed by and construed in all respects in accordance with the laws of the State of California, without giving effect to any choice of law provision or rule (whether of the State of California or any other jurisdiction that would cause the application of the laws of any jurisdiction other than the State of California).

11.7 Rights Cumulative. All rights and remedies of each of the Parties under this Agreement shall be cumulative, and the exercise of one or more rights or remedies shall not preclude the exercise of any other right or remedy available under this Agreement or applicable law.

11.8 Further Actions. The Parties shall execute and deliver to each other, from time to time at or after Closing, for no additional consideration and at no additional cost to the requesting party, such further assignments, certificates, instruments, records, or other documents, assurances or things as may be reasonably necessary to give full effect to this Agreement and to allow each party fully to enjoy and exercise the rights accorded and acquired by it under this Agreement.

11.9 Time of the Essence. Time is of the essence under this Agreement. If the last day permitted for the giving of any notice or the performance of any act required or permitted under this Agreement falls on a day which is not a Business Day, the time for the giving of such notice or the performance of such act shall be extended to the next succeeding Business Day.

11.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.11 Entire Agreement. This Agreement (including the Exhibits, the Company Disclosure Statement, the Feris Disclosure Statement and any other documents, instruments and certificates referred to herein, which are incorporated in and constitute a part of this Agreement) contains the entire agreement of the Parties.

11.12 Survival of Representations and Covenants. Notwithstanding any right of Feris to fully investigate the affairs of the Company and notwithstanding any knowledge of facts determined or determinable by Feris pursuant to such investigation or right of investigation, Feris shall have the right to rely fully upon the representations, warranties, covenants and agreements of the Company contained in this Agreement. Each representation, warranty, covenant and agreement of the Company contained herein shall survive the execution and delivery of this Agreement and the Closing and shall thereafter terminate and expire on the first anniversary of the Closing Date unless, prior to such date, Feris has delivered to the Company Shareholders a written notice of a claim with respect to such representation, warranty, covenant or agreement.

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

Dated: August 20, 2007

Feris International, Inc.
a Nevada Corporation

By: _____

Name:
Title: Chief Executive Officer

Dated: August 20, 2007

Feris Merger Sub, Inc.
a California Corporation

By: _____

Name:
Title: Chief Executive Officer

Dated: August 20, 2007

PRO SPORTS AND ENTERTAINMENT, INC., a California Corporation

By: _____

Name: Paul Feller
Title: President &
Chief Executive Officer

Dated: August 20, 2007

_____

Patty Linson

Schedule 3.2

Derivative Securities

NONE

Schedule 3.12

Brokers and Finders Agreements

NONE

Schedule 3.9

Legal Proceedings

Legal matters

In connection with a settlement agreement, on or about May 27, 2005, a legal judgment was entered in the Superior Court of the County of Los Angeles against the Company in favor of the previous owners of the "Core Tour" event, in the amount of $483,718. In addition, this judgment specified that the Company must pay interest of $39,664. The dispute arose out of the Company's asset purchase of the "Core Tour" event from the plaintiffs. The Company has recorded the total liability of $523,582 as of December 31, 2005, December 31, 2004 and September 30, 2006 (unaudited) and has included the acquisition cost in intangible assets.

On or about May 18, 2004, a plaintiff, an ex-employee, filed a complaint against the Company, seeking damages. On or about July 14, 2005, the Labor Commissioner for the State of California entered a judgment against the Company in favor of this former employee for a total award amount of $9,329. The Company has recorded the entire liability as of December 31, 2005, December 31, 2004 and September 30, 2006 (unaudited). The Company plans to seek to set aside this judgment, disputing that it owes the plaintiff the amount claimed.

On or about February 27, 2006, a plaintiff, an ex-employee, filed a complaint against the Company, seeking $356,250 in damages. On or about June 23, 2006, the Superior Court of the County of Los Angeles entered a default against the Company in favor of this former employee. The Company has recorded the entire liability as of December 31, 2005 and September 30, 2006 (unaudited). The Company plans to seek to set aside the default, disputing that it owes the plaintiff the amount claimed but, rather, the plaintiff was fully paid upon his voluntary resignation from the Company.

On or about June 20, 2006, the plaintiff, Wells Fargo Bank, provided a notice of entry of judgment in the amount of $78,651 against, among others, the Company, formerly known as GMG Sports and Entertainment, Incorporated. The Company has recorded the entire amount as of December 31, 2005 and September 30, 2006 (unaudited).

The Company is currently involved in disputes with the previous owners of the "Concours on Rodeo", "Millrose Games" and "American Snowboard Tour and American Freeski Tour" events. Company management believes that these disputes may result in future litigation but is unable to estimate the potential outcomes.

Schedule 3.17

Contracts in Excess of 100,000

Playboy Mansion Site Agreement	$	120,000
Seattle Seahawks Stadium	$	100,000
Concours on Rodeo	$	430,043
Core Tour/Action Sports Tour	$	483,718
Snow & Ski Tour	$	240,000

Schedule 3.21

Labor Contracts

The Company has an Employment Agreement ("Agreement"), dated January 1, 2002, with its President and Chief Executive Officer, which requires the Company to offer a non-qualified stock option to purchase 10% of the fully diluted shares of the Company's capital stock issued and outstanding on January 1, 2002, the effective date of the Agreement. The stock option has a term of five years at an exercise price of $0.50 per share (which was equal to the fair value) and vested immediately on the date of the agreement. This stock option is subject to a customary anti-dilution provision with respect to any stock splits, mergers, reorganizations and other such events. The length of this Agreement is five years from the effective date unless the employment is terminated for another cause. During the duration of this Agreement, the Chief Executive Officer is entitled to an annual salary of $240,000 and a bonus of $250,000 in the event a Valuing Event causes the Company to be valued in excess of $100,000,000 and an additional bonus of $500,000 in the event a Valuing Event causes the Company to be valued in excess of $500,000,000. For the years ended December 31, 2005 and December 31, 2004 and for the nine months ended September 30, 2006 (unaudited), no bonuses have been paid by the Company in relation to this Agreement.

Schedule 4.9

Assets and Liabilities

1. *See Audit*

AMENDMENT TO AGREEMENT

AND PLAN OF MERGER

This Amendment ("Amendment") to Agreement and Plan of Merger dated as of March 10, 2008 among Feris International, Inc., a Nevada corporation, ("Feris"), Feris Merger Sub, Inc. ("Merger Sub") and Patty Linson, on the one hand; and Pro Sports & Entertainment, Inc. (the "Company"), on the other hand, is made with reference to the following:

A. The parties to this Amendment (the "Parties") entered into an Agreement and Plan of Merger dated as of August 20, 2007 (the "Merger Agreement").

B. The Parties with to amend the Merger Agreement to change the number of shares being issued to the shareholders of the Company

NOW THEREFORE, the Parties hereby amend the Merger Agreement as follows:

1. Section 2.6(a) is hereby amended by changing "53,146,359" for "36,000,000" and "90%" for "85.22%" and deleting the word "possible" before "conversion."

2. Section 4.2 is hereby amended by deleting the phrase "except for the Convertible Note which Note may be convertible into 6,000,000 shares of the Common Stock of Feris."

3. Section 3.2(a) is hereby amended by changing "thirteen million three hundred and eighty four thousand three hundred and fifty nine (13,384,359)" to "thirteen million eight hundred and eighty three thousand and forty three (13,883,043)."

4. Section 8.7 is hereby amended by changing "6,000,000" to "5,836,651."

5. There shall be added to Article VII a new Section 8.12 as follows:

8.12 Cancellation of Shares. 84,000 shares of the outstanding shares of Feris shall have been cancelled.

6. In all other respects, the Merger Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the day and year first above written.

Feris International, Inc.
a Nevada Corporation

By: _____

Name: Patty Linson
Title: President

Feris Merger Sub, Inc.
a California Corporation

By: _____

Name: Patty Linson
Title: President

Pro Sports and Entertainment, Inc., a
California Corporation

By: _____

Name: Paul Feller
Title: President &
Chief Executive Officer

_____

Patty Linson

Exhibit 10.3

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (the "Agreement'), dated as of January 1, 2007, between PRO SPORTS & ENTERTAINMENT, INC., with its principal place of business at 811 Wilshire Blvd, Los Angeles, California 90017 (the "Company"), and Paul Feller whose address is PU Box, 1450, Summerland, CA 93067 ("Executive").

WITNESSETH:

WHEREAS, the Company is engaged in the business of sports and entertainment event ownership, television broadcasting of events, product merchandising, marketing, operations, sales, agent, venue and corporate representation and consultancy (the "Business"); and

WHEREAS, the Company wishes to employ Executive, and Executive wishes to accept such employment, on the terms and conditions set forth in this Agreement.

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

1. **EMPLOYMENT**. The Company shall employee the Executive and Executive hereby accepts such employment with the Company, upon the terms and conditions hereinafter set forth for the period beginning on January 1 2002 (the "Effective Date") and ending on the Termination Date determined pursuant to Section 4 (the "Employment Term").

2. **POSITION AND DUTIES**.

(a) During the Employment Term, the executive shall serve as the Chief Executive Officer of the Company and shall report to the Board of Directors of the Company or a committee thereof. Subject to the direction and control of the Board of Directors of the Company, Executive's duties shall include principal responsibility for formulation and implementation of the business policies and direction of the Company, employment decisions, financial decisions and management and oversight of the day-to-day operation of the Business. In addition, Executive shall perform such other duties requested by or pursuant to the lawful direction and control of the Board of Directors of the Company (or a committee thereof) including such services and duties normally commensurate with the position of Chief Executive Officer. The Executive acknowledges and agrees that he owes a fiduciary duty of loyalty to the Company to discharge his duties and otherwise act in a manner consistent with the best interests of the Company.

(b) During the Employment Term, the Executive shall devote his reasonable efforts and all of his working time, attention and energies to the performance of his duties and responsibilities under this Agreement (except for vacations to which he is entitled pursuant to the terms of this Agreement, illness or incapacity or activities which do not, in the sole judgment of the Board of Directors (or a committee thereof), interfere or conflict with his duties and responsibilities in any material respect). During the Employment Term, Executive shall not engage in any business activity which, in the judgment of the Board of Directors (excluding the Executive if he should be a member of the Board of Directors at the time of such determination), conflicts with the duties of Executive hereunder, whether or not such activity is pursued for gain, profit or other pecuniary, advantage. Any material outside business activities of Executive, including, without limitation, serving on the board of directors of any other entity, must be approved by the Board of Directors of the Company (excluding any vote of the Executive) in advance.

(c) Within ten (10) business days following the Effective Date, Executive shall be appointed to serve as a member of the Company's Board of Directors until the next meeting of the Company's stockholders at which directors are elected. The Company agrees that at each meeting of the Company's stockholders during the Employment Term at which directors are elected and, to the extent applicable, in any proxy statement delivered to stockholders in connection with such meeting, the Executive shall be named as a nominee for election to the Board of Directors.

(d) The Company confirms and agrees that, subject to any requisite approvals of the Board of Directors and the reasonable oversight of the Board of Directors, (i) the Company's offices shall be relocated to the Boston, Massachusetts metropolitan area at a time that is reasonably convenient to the Executive and (ii) Executive shall be responsible for the details of such relocation, which is presently contemplated to occur within the first six months following the Effective Date.

3. **COMPENSATION AND BENEFITS**. As compensation in full for the services to be rendered by Executive under this Agreement, the Company agrees to compensate Executive as follows:

(a) During the Employment Term (unless earlier terminated as provided herein), the Company shall pay, and Executive shall accept an annualized salary of not less than Two Hundred and Forty Thousand Dollars ($240,000) ("Base Salary") payable in accordance with the Company's normal payroll practices and subject to any and all necessary and legal payroll and other deductions. The Base Salary and Executive's performance will be reviewed by the Board of Directors of the Company or a compensation committee of the Board of Directors at the end of the first year of the Employment Term. Effective on each yearly anniversary of the Effective Date during the Employment Term, Executive's Base Salary shall be increased by the percentage increase in the national Consumer Price Index for the 12-month period preceding such anniversary date. Notwithstanding anything to the contrary contained in this Section 3(a), the compensation committee of the Board of Directors will review Executive's Base Salary on an annual basis to consider appropriate merit-based increases to the Base Salary in excess of the Consumer Price Index adjustment described above.

(b) Simultaneously with the commencement of the Employment Term and subject to the provisions of Section 5 of this Agreement, the Company shall pay Executive a signing bonus of $100,000. ("Signing Bonus").

(c) During the Employment Term, Executive shall be entitled to receive an automobile allowance of up to $650 per month.

(d) Executive shall be entitled to receive one-time bonuses as follows: (i) a $250,000 bonus shall be paid to Executive in the event of a Valuing Event (as defined below) that causes the Company to be valued in excess of$100,000,000; and (ii) an additional bonus of $500,000 shall be paid in the event of a valuing event that causes the Company to be valued in excess of $500,000,000. For purposes hereof, a "Valuing Event" shall mean any of the following: (1) in the event that there is a public trading market for the Company's common stock and the aggregate market capitalization of the Company, calculated based upon the average closing price of the Company's common stock in the public market over any twenty (20) consecutive trading day period during the Employment Term, exceeds the applicable valuation threshold, (2) any sale of assets, sale of equity by the Company, merger, reorganization, or other transaction which results in all of the outstanding common stock of the Company being valued in excess of the applicable valuation threshold, or (3) any material equity investment in the Company that values the outstanding capital stock of the Company (on a pre-investment basis) at an amount in excess of the applicable valuation threshold. In addition to one-time bonuses described above, the Board of Directors (or the compensation committee thereof) may elect to grant Executive a discretionary, performance-based bonus and shall meet annually in order to consider whether such discretionary bonus is appropriate.

(e) Executive shall be eligible to participate in those non-salary benefits and programs generally made available to executive employees of the Company, as are in effect from time to time, including, but not limited to, any health, dental, life or disability insurance plan, 401(k) or other retirement savings plan, and any other employee benefit plan, subject to any and all terms, conditions, and eligibility requirements of said plans or benefits, as may from time to time be prescribed by the Company. Full family health and dental insurance coverage shall be provided for Executive.

(f) Executive shall be entitled to a vacation period or periods each year during the Employment Term in accordance with the Company's vacation policy for officers per the policy outlined in the Company's employee manual, as such manual may be amended from time to time.

(g) Upon submission of proper vouchers and evidence, the Company will pay or reimburse Executive for reasonable transportation, hotel, travel and related expenses incurred by Executive on business trips away from Executive's principal office, and for other business expenses reasonably incurred by Executive in connection with the business of the Company during the Employment Term, all subject to such limitations and procedures as may from time to time be prescribed by the Board of Directors of the Company.

(h) In addition to the compensation described above, Executive shall be entitled to receive. options to purchase shares of the Company's common stock in accordance with the terms set forth in Exhibit A attached hereto and incorporated herein by this reference.

4. TERMINATION.

(a) The Executive's employment under this Agreement shall terminate upon the earliest to occur of (the date of such occurrence being the "Termination Date") of(1) the sixth yearly anniversary of the Effective Date, unless extended by mutual written consent of the Company and the Executive (2) the effective date of Executive's resignation for Good Reason (as defined below) or without Good Reason, (3) the Executive's death or a Disability (an "Involuntary Termination"), (4) the effective date of a termination of Executive's employment for Cause by the Board of Directors (a "Termination for Cause"), and (5) the effective date of a termination of the Executive's employment by the Board of Directors for reasons that do not constitute cause (a "Termination Without Cause"), and (6) the effective date of a resignation of the Executive for Good Reason (as defined below). The effective date of a resignation shall be the date written resignation by the Executive is received by the Company; the effective date of an Involuntary Termination shall be the date of death or, in the event of a Disability, the date specified in a notice delivered to the Executive by the Company; the effective date of a Termination for Cause shall be the date specified in a notice delivered to the Executive by the Company of such termination; and the effective date of a Termination Without Cause shall be the date specified in a notice delivered to Executive by the Company of such termination which effective date shall be no less than thirty (30) days following the date of such notice.

(b) For purposes of this Agreement, “Cause” shall mean those instances in which Executive actually, or the Board of Directors (excluding the Executive if the Executive is a member of the Board at such time) determines in good faith that Executive has, (i) intentionally furnished materially false, misleading, or omissive information to the Company’s Board of Directors that results or could reasonably be expected to result in material detriment to the Company (ii) willfully refused or failed to follow the lawful instructions of the Board of Directors with respect to any material matter, consistent with the terms of this Agreement, which refusal or failure shall not have been cured, if capable of being cured, within 10 days following written notice thereof; provided, however, that no notice or opportunity to cure shall be required with respect to repeated refusal or failure to follow the lawful instructions of the Board of Directors, consistent with the terms of this Agreement, (iii) committed or been formally charged with any act involving moral turpitude (including those involving fraud, theft or dishonesty by Executive) or any crime (whether felony or misdemeanor) other than traffic violations or other minor offenses that could not reasonably be expected to have an adverse effect on the Company’s business or reputation, (iv) the continued use of alcohol or drugs by the Executive to an extent that, in the good faith determination of the Board of Directors (excluding the Executive if the Executive is a member of the Board at such time), such use interferes with performance of the Executive’s duties and responsibilities, (v) committed or engaged in any other act constituting or comprising a conflict or interest or cause under applicable law, or (vi) breached his obligations under this Agreement in any material respect, which breach has materially damaged the Company and, if capable of being cured, shall not have been cured upon 15 days’ written notice thereof. “Cause” is not intended to include mere dissatisfaction of the Company or its Board of Directors with the manner in which Executive performs his duties nor the good faith failure of the Executive to perform his duties successfully.

(c) For purposes of this Agreement, the term “Disability” shall mean the physical or mental inability of the Executive (1) a good faith determination by the Board of Directors (excluding the Executive if the Executive is a member of the Board at such time) to substantially perform all of his duties under this Agreement for a period of ninety (90) consecutive days or longer or for any 90 days in any consecutive 12 month period, or (2) that, in the opinion of a physician selected by the Board of Directors (excluding the Executive if the Executive is a member of the Board of Directors at such time), is likely to prevent the Executive from substantially performing all of his duties under this Agreement for more than 90 days in any period of 365 consecutive days.

(d) For purposes of this Agreement, the term "Good Reason" shall mean any of the following events which occur without the consent of Executive (i) a material change in the scope or nature of Executive's duties, (ii) the requirement that Executive report to a person or entity other than the Board of Directors; (iii) a required change in the city in which Executive's office is located; (iv) a sale or change of control of the Company; provided, however, that any change in control resulting from the Company's pending merger with or into a public "shell" corporation shall not be deemed to be a sale or change of control of the Company for purposes of this Agreement); (v) a material change in the line of the Company's business; (v) a fundamental and material disagreement between Executive and the Board of Directors regarding the direction of the Company's business; (vi) the failure of Executive to be elected to the Board of Directors; provided, however, that the Company shall have thirty (30) days following receipt of written notice of such failure to elect to cure such failure through appointment to fill a vacancy or other lawful means.

5. EFFECT OF TERMINATION; SEVERANCE.

(a) In the event of a Termination Without Cause or a resignation of Executive for Good Reason, the Executive or his beneficiaries or estate shall have the right to receive only the following:

(1) the unpaid portion of the Base Salary, computed on a pro rata basis to the Termination Date;

(2) the Base Salary from the Termination Date until the sixth yearly anniversary of the Effective Date, payable in the same amounts and at the same intervals as the Base Salary was paid immediately prior to the Termination Date; and

(3) reimbursement for any expenses incurred prior to the Termination Date for which the Executive shall not have been previously reimbursed in accordance with the provisions of Section 3(g) above.

(b) In the event of a Termination for Cause, an Involuntary Termination or a resignation by Executive that is not for Good Reason, the Executive or his beneficiaries or estate shall have the right to receive the following:

(1) the unpaid portion of the Base Salary, computed on a pro rata basis to the Termination Date; and

(2) reimbursement for any expenses incurred prior to the Termination Date for which the Executive shall not have been previously reimbursed in accordance with the provisions of Section 3(g) above.

(c) Upon any termination, neither the Executive nor his beneficiaries or estate shall have any further rights under this Agreement or any rights arising out of this Agreement other than as provided in Section 5(a) and (b) above. The rights of the Executive set forth in this Section 5 are intended to be the Executive's exclusive remedy for termination and to the greatest extent permitted by applicable law, the Executive waives all other remedies.

(d) Following any termination, Executive shall fully cooperate with Company in all matters relating to the winding up of the Executive's work on behalf of Company and the orderly transfer of any such pending work and of Executive's duties and responsibilities for Company to such other person or persons as may be designated by Company in its sole discretion. Executive shall not be entitled to any additional pay or severance in connection with such cooperation.

(e) Notwithstanding anything to the contrary contained in this Agreement, in the event Executive is terminated with Cause or resigns without Good Reason prior to the first anniversary of the Effective Date, Executive shall, upon demand by the Company, immediately return the Signing Bonus in full and without deduction or offset.

6. **NONDISCLOSURE AND NONUSE OF CONFIDENTIAL INFORMATION**. The Executive will not disclose, disseminate or use at any time, either during the Employment Term or thereafter, any Confidential Information of which the Executive is or becomes aware, whether or not such information is developed by him, except to the extent that such disclosure or use is directly related to and required by the Executive's performance of duties assigned to the Executive by the Company. For purposes of this Agreement, the term "Confidential Information" shall mean: information that is not generally known to the public and that is used, developed or obtained by the Company in connection with the Business, including, without limitation, (a) information, observations, procedures and data obtained by the Executive while employed by the Company concerning the business or affairs of the Company, (b) planned or actual products or services, (c) costs and pricing structures, customer, supplier or employee lists, (d) analyses, drawings, photographs and reports, (d) computer software and hardware, including operating systems, applications and program listings, (e) data bases, (f) accounting and business methods, and (g) research and development, (h) inventions, devices, new developments, method and processes, technology and trade secrets (including, without limitation all Work Product). Confidential Information will not include (i) any information that has been published, through no direct or indirect effort or action by the Executive, in a form generally available to the public prior to the date the Executive proposes to disclose such information, and (ii) any general expertise, contacts or know-how reflective of Executive's experience as an executive in the sports management and event field.

7. **INVENTIONS AND PATENTS**. The Executive agrees that all Work Product belongs to the Company (including any and all Work Product developed by the Company prior to the date of this Agreement). The Executive will promptly disclose such Work Product to the Board of Directors and perform all actions reasonably requested by the Board (whether during or after the Employment Term) to establish and confirm such ownership (including, without limitation, the execution and delivery of assignments, consents, powers of attorney and other instruments) and to provide reasonable assistance to the Company in connection with the prosecution of any application for patents, trademarks, trade names, service marks or reissues thereof or in the prosecution or defense of any claims by or against the Company relating in any way to Work Product. For purposes of this Agreement, the term "Work Product" shall mean all inventions, innovations, improvements, technical information, systems, software or equipment developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos and all similar or related information (whether patentable or unpatentable) which relates to the Company's actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by the Executive (whether or not during usual business hours and whether or not alone or in conjunction with any other person, group or entity) while employed by the Company, together with all patent applications, letters patent, trademark, trade name and service mark applications or registrations, copyrights and reissues thereof that may be granted for or upon the foregoing.

8. **NON-COMPETE. NON-SOLICITATION, NON-DISPARAGEMENT**. The Executive acknowledges and agrees with the Company that during the course of the Executive's employment with the Company, the Executive will have the opportunity to develop relationships with existing employees, customers and other business associates of the Company which relationships constitute goodwill of the Company, and the Company would be irreparably damaged if the Executive were to take actions that would damage or misappropriate such goodwill. Accordingly, the Executive agrees as follows:

(a) The Executive acknowledges that the Business is operated in and markets for the Company's products and services are located throughout the world, including each county or jurisdiction in each state of the United States and Canada (collectively, the "Territory"). Accordingly, during the Employment Term and until the (i) three month anniversary of the Termination Date if termination is for Good Reason or without Cause, (ii) the one year anniversary of the Termination Date if termination is the result of a resignation not for Good Reason, and (iii) six month anniversary of the Termination Date if termination is with Cause (in each case, the "Non-Compete Period"), the Executive shall not, directly or indirectly, enter into, engage in, assist, give or lend funds to or otherwise finance, be employed by or consult with, or have a financial or other interest in, any business which is similar to or competitive with the Business, whether for himself or as an independent contractor, agent, stockholder, partner or joint venturer for any other person, group or entity. To the extent that the covenant provided for in this Section 8(a) may later be deemed by a court to be too broad to be enforced with respect to its duration or with respect to any particular activity or geographic area, the court making such determination shall have the power to reduce the duration or scope of the provision, and to add or delete specific words or phrases to or from the provision. The provision, as modified, shall then be enforced.

(b) Notwithstanding the foregoing, the aggregate ownership by the Executive of no more than two percent (on a fully-diluted basis) of the outstanding equity securities of any person, group or entity, which securities are traded on a national securities exchange, quoted on the NASDAQ Stock Market or other automated quotation system, and which person, group or entity competes with the Company within the Territory shall not be deemed to be a violation of Section 8(a).

(c) The Executive covenants and agrees that during the term of his employment and for six months following the Termination Date (one year in the event of a termination for Cause or a resignation without Good Reason), the Executive will not, directly or indirectly, either for himself or for any other person, group or entity (1) solicit any employee, independent contractor or service provider of the Company to terminate or modify his, her or its employment or other relationship with the Company or employ or retain any person or entity, (2) solicit any customer, licensee or licensor, of the Company or any service provider to the Company to purchase or provide products or services on behalf of the Executive or such other person, group or entity that are competitive with the products or services provided by the Company, or (3) disparage the business reputation of the Company or its management team.

(d) Executive acknowledges that the restrictions placed upon Executive by this Section 8 are reasonable given the Executive's position with the Company, the geographic area in which the Company markets its products and services, and the consideration furnished in this Agreement. Further, executive also agrees that the provisions of this section are fair and necessary to protect the Company and its business interests and that such provisions do not preclude Executive from utilizing unprotected information or from engaging in occupations in unrelated fields or in a manner consistent with the requirements of this Agreement. Finally, Executive understands that the foregoing restrictions may limit his ability to earn a livelihood in a business similar to the Business but he nevertheless believes that he has received and will receive sufficient consideration and other benefits as an employee of the Company and as otherwise provided hereunder or as described in the recitals hereto to clearly justify such restrictions which, in any event (given his education, skills and ability), the Executive does not believe would prevent him from otherwise earning a living.

(e) In addition to any other remedies available to Executive under this Agreement or applicable law, in the event that the Company fails to meet any of its ongoing payment or severance obligations to Executive and such failure continues uncured for five (5) business days following the delivery of written notice of such failure to the Company, all of Executive's post-term obligations under this Section 8 shall terminate.

9. **RETURN OF COMPANY'S PROPERTY UPON TERMINATION**. The Executive shall immediately deliver to the Company at the termination of the Employment Term or at any time the Board of Directors may request, all Company property (including but not limited to all documents, electronic files/records, keys, records, computer disks, or other tangible or intangible things that may or may not relate to or otherwise constitute Confidential Information, Work Product, or trade secrets (as defined by applicable law) that Executive created, used, possessed, or maintained while in the employ of the Company, from whatever source. This provision does not apply to purely personal documents of Executive, but does apply to business calendars, Rolodexes, customer lists, contact sheets, computer programs, disks, and their contents, and like information that may contain some personal matters of Executive.

10. **ENFORCEMENT**. Because the Executive's services are unique and because the Executive has access to Confidential Information and Work Product, the parties hereto agree that money damages would be an inadequate remedy for any breach of this Agreement. Therefore, in the event of a breach or threatened breach of this agreement, the Company or its successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violation of, the provisions hereof (without posting a bond or other security).

11. MISCELLANEOUS.

(a) This Agreement shall be binding upon and inure to the benefit of Executive and his heirs and personal representatives, and the Company and its successors, assigns and legal representatives. This Agreement and the responsibilities/benefits hereunder are personal to Executive and are not assignable or transferable by Executive.

(b) The Company shall have the right to offset against amounts due to Executive hereunder, any amounts owed by Executive to Company, including any advances.

(c) This Agreement constitutes the entire agreement between the Company and Executive with respect to the subject matter hereof and supersedes any and all previous agreements or understandings between Executive and the Company concerning the subject matter hereof. This Agreement may not be changed or amended without the prior written consent of both of the parties hereto.

(d) All notices hereunder shall be in writing and shall be deemed given on the third day after mailing through the United States mail, certified mail, return receipt requested, postage prepaid, or by overnight delivery to the persons listed below or to such other person(s) and/or addresses as may be designated from time to time in writing:

if to the Company:

Pro Sports & Entertainment, Inc.
811 Wilshire Blvd
Los Angeles, California 90017
Attention:
Fax: (213)689-7789

if to Executive:

Mr. Paul Feller
PU Box 1450
Summerland, CA
Fax: (805) 684-6992

(e) This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(f) Any waiver by either party of any breach of any of the terms of this Agreement shall not be considered a waiver of any subsequent breach.

(g) In the event that any provision of this Agreement is held to be unenforceable, then such enforceability shall in no way affect the other terms and provisions of this Agreement which shall remain in full force and effect.

(h) The captions herein are for the convenience of the parties and are not to be construed as part of the terms of this Agreement.

(i) This Agreement may be amended, modified or supplemented only by written agreement of the parties hereto, which agreement shall have been duly authorized and approved by the Board of Directors of the Company.

(j) The failure of the Company at any time or from time to time to require performance of any of Executive's obligations under this Agreement shall in no manner affect the Company's right to enforce any provision of this Agreement at any subsequent time, and the waiver by the Company of any right arising out of any breach shall not be construed as a waiver of any right arising out of any subsequent breach.

(k) Executive acknowledges that the consideration furnished by the Company in this Agreement, the sufficiency and adequacy of which is hereby acknowledged, is in addition to anything of value, if any, to which Executive may already be entitled.

(l) Except as otherwise provided herein, in the event of any dispute with respect to the subject matter of this Agreement, the prevailing party shall be entitled to all of its costs and expenses, including reasonable attorneys' fees and costs, incurred in resolving or settling the dispute. These costs and expenses shall be in addition to any other damages to which the prevailing party may be entitled.

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

COMPANY:

PRO SPORTS & ENTERTAINMENT, INC.

/s/

By: Christopher Mowbray
Chairman

EXECUTIVE:

/s/

By: Paul Feller
President & CEO

EXHIBIT A

Options

Executive shall be entitled to receive the following options:

1. An initial non-qualified stock option to purchase 10% of the fully diluted shares of capital stock of the Company issued and outstanding on the Effective Date. The option shall have an exercise price of $.50 per share and shall vest in full immediately. The option shall have a term of five years; provided that such option shall terminate forty-five (45) days after the Executive's employment with the Company is terminated if such termination is for Cause or is a the result of a resignation by Executive for reasons other than Good. Such option shall not be assignable by Executive.

2. In addition to the initial option described above:

(a) Executive shall receive options to purchase the number of shares equal to 20% of the number of shares issued in connection with any acquisitions made by the Company within one year of the Effective Date or initiated (as evidenced by the submission of a terms sheet or other proposal to the proposed target or its management) during such one year period and completed subsequent thereto; and

(b) Executive shall receive options to purchase the number of shares equal to 20% of the number of shares issued by the Company in connection with any equity financing or issuable upon conversion of any convertible debt financing completed by the Company within one year of the Effective Date or initiated (as evidenced by submission of a terms sheet, letter of intent or other proposal by the proposed financing source) by the Company within one year following the Effective Date and completed subsequent thereto; provided, however, no options shall be issued with respect to any equity or convertible debt financing in negotiation by the Company or Paul Feller prior to the Effective Date. Subject to the foregoing exception for financings currently in negotiation, Executive shall be entitled to receive the options described above regardless of whether he initiated or was involved in the negotiation of the financing.

The ~~option~~ exercise price for the additional options described in (a) and (b) above shall equal eighty percent (80%) of the per share value of Company's common stock at the time of the applicable acquisition or financing as determined by reference to the Company's public trading price, if any, or, if no public trading market exists, the per share valuation of the Company made in connection with the acquisition or financing or, if no such valuation exists, the per share value of the Company as determined in good faith by the Company's Board of Directors. Each of the options granted pursuant to paragraphs (a) or (b) above shall have a term of five years, shall vest in full upon grant; provided that such options shall terminate forty-five (45) days after the Executive's employment with the Company is terminated if such termination is for Cause or is a the result of a resignation by Executive for reasons other than Good Reason. Such options shall not be assignable by Executive.

3. Each option described above shall be subject to customary anti-dilution provision with respect to any stock splits, mergers, reorganizations or other such events.