

U.S. Securities and Exchange Commission

Washington, D.C. 20549

Form 10-QSB

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1995

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 33-00412-NY

FIRST PRIORITY GROUP, INC.

(Exact name of small business issuer as specified in its charter)

New York
(State or other jurisdiction of
incorporation or organization)

11-2750412
(IRS Employer
Identification No.)

270 Duffy Avenue
Hicksville, New York 11801
(Address of principal executive offices)
(516) 938-1010
(Issuer's telephone number)

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

State the number of shares outstanding of each of the issuer's classes of
common equity, as of November 13, 1995: 4,883,883 shares of common stock

Transitional Small Business Format (check one)
Yes No X

Page 1 of 29 pages.
Exhibit Index starts on page 12
Index to Condensed Consolidated Financial Statements

PART I - FINANCIAL INFORMATION

	Page

Item 1. Financial Statements.	
Condensed Consolidated Balance Sheet as at September 30, 1995	3
Condensed Consolidated Statements of Operations for the three months ended September 30, 1995 and 1994	4
Condensed Consolidated Statements of Operations for the nine months ended September 30, 1995 and 1994	5
Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 1995 and 1994	6
Notes to Condensed Consolidated Financial Statements	7
Item 2. Management's Discussion and Analysis or Plan of Operation.	8

PART II - OTHER INFORMATION

Item 5. Other Information	9
Item 6. Exhibits and Reports on Form 8-K	
(a) Exhibits	9
(b) Reports on Form 8-K.	27

2

FIRST PRIORITY GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

	SEPTEMBER 30, 1995
	----- (UNAUDITED) -----
<S>	<C>
ASSETS	
Current Assets:	
Cash and cash equivalents.....	\$ 410,133
Account receivable, less allowance for doubtful accounts of \$11,500.....	857,135
Other current assets.....	20,968

Total current assets.....	1,288,236
Property and equipment, net.....	115,902
Other assets.....	10,575

Total assets.....	\$ 1,414,713

LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities:	
Accounts payable and accrued expenses.....	986,847
Note payable, current.....	10,410

Total current liabilities.....	997,257
Note payable, long term.....	29,455

Total liabilities.....	1,026,712
Shareholder's equity:	
Common stock, \$.015 par value, authorized 8,000,000 shares; issued 5,150,550 shares.....	77,258
Additional paid-in capital.....	1,509,310
Deficit.....	(1,108,567)

478,001	
Less common stock held in treasury, at cost, 266,667 shares.....	(90,000)

Total shareholders' equity.....	388,001

Total.....	\$ 1,414,713

</TABLE>

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

3

FIRST PRIORITY GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

THREE MONTHS ENDED

	SEPTEMBER 30, 1995	SEPTEMBER 30, 1994
	(UNAUDITED)	(UNAUDITED)

<S>	<C>	<C>
Revenue from operations.....	\$ 2,423,933	\$ 1,844,479
Costs of revenue (principally charges by repair facilities for services).....	2,027,974	1,508,583
Gross profit.....	395,959	335,896
Operating expenses:		
Selling, general and administration...	393,284	326,293
Income from operations.....	2,675	9,603
Interest and other income.....	1,699	38
Net Income.....	\$ 4,374	\$ 9,641
Income per share.....	NIL	NIL
Weighted average shares outstanding during the period.....	4,883,883	4,883,883

</TABLE>

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

4

FIRST PRIORITY GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

NINE MONTHS ENDED

	SEPTEMBER 30, 1995	SEPTEMBER 30, 1994
	(UNAUDITED)	(UNAUDITED)

<S>	<C>	<C>
Revenue from operations.....	\$ 7,346,860	\$ 5,800,284
Costs of revenue (principally charges by repair facilities for services).....	6,031,671	4,738,662
Gross profit.....	1,315,189	1,061,622
Operating expenses:		
Selling, general and administration...	1,154,595	961,573
Income from operations.....	160,594	100,049
Interest and other income.....	3,879	1,269
Income before income taxes.....	164,473	101,318
Provision for income taxes.....	1,000	0
Net income.....	\$ 163,473	\$ 101,318
Income per share.....	\$ 0.03	\$ 0.02
Weighted average shares outstanding during the period.....	4,883,883	4,883,883

</TABLE>

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

5

FIRST PRIORITY GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

<TABLE>
<CAPTION>

	NINE MONTHS ENDED	
	SEPTEMBER 30, 1995	SEPTEMBER 30, 1994
	-----	-----
<S>	<C>	<C>
Cash flows from operating activities:		
Net income.....	\$ 163,473	\$ 101,318
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	21,434	25,369
Changes in assets and liabilities:		
Increase in accounts receivable....	(112,427)	(46,623)
Increase in other current assets...	(6,813)	(10,099)
Increase in accounts payable and accrued expenses.....	251,169	96,576
	-----	-----
Net cash provided by operating activities.....	316,836	166,541
	-----	-----
Cash flows from investing activities:		
Additions to property and equipment...	(73,486)	(21,340)
	-----	-----
Cash flows from financing activities:		
Net cash provided by financing activities.....	39,865	0
	-----	-----
Net increase in cash.....	283,215	145,201
Cash at beginning of period.....	126,918	44,161
	-----	-----
	\$ 410,133	\$ 189,362
	-----	-----

</TABLE>

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

6

FIRST PRIORITY GROUP, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. UNAUDITED FINANCIAL STATEMENTS

The information contained in the condensed consolidated financial statements for the period ended September 30, 1995 is unaudited, but includes all adjustments, consisting of normal recurring adjustments, which the Company considers necessary for a fair presentation of the financial position and the results of operations for these periods.

The financial statements and notes are presented as permitted by Form 10-QSB, and do not contain certain information included in the Company's annual statements and notes. These financial statements should be read in conjunction with the Company's annual financial statement as reported in its most recent annual report on Form 10-KSB.

2. BUSINESS OF THE COMPANY

First Priority Group, Inc. (the "Company"), a New York corporation formed in October 1983, is engaged directly and through its wholly-owned subsidiaries in automotive fleet management and administration of automotive repairs for

businesses, insurance companies and members of affinity groups. The services provided by the Company include the computerized compilation and analysis of vehicle usage and maintenance data and the repair and maintenance of vehicles through approximately 3,000 independently contracted and over 5,000 nationally recognized repair facilities nationwide. The Company's office is located at 270 Duffy Avenue, Hicksville, New York 11801 and its telephone number is (516) 938-1010.

3. RESULTS OF OPERATIONS

The unaudited results of operations for the three and nine months ended September 30, 1995 and 1994 are not necessarily indicative of the results to be expected for the full year.

7

Item 2. Management's Discussion and Analysis or Plan of Operation.

For the three months ended September 30, 1995 the Company's revenues from operations increased by \$579,454 (31.4%) to \$2,423,933 from \$1,844,479 for the three months ended September 30, 1994. The gross profit as a percentage decreased 1.9% for the three months ended September 30, 1995 to 16.3% from 18.2% for the same period of 1994. The decreased gross profit percentage is mainly due to fee based programs offered to large companies at a reduced rate as an incentive to sign on long term contracts. This business practice has dramatically reduced the Company's attrition rate.

For the nine months ended September 30, 1995 the Company's revenues from operations increased by \$1,546,576 (26.7%) to \$7,346,860 from \$5,800,284 for the nine months ended September 30, 1994. The gross profit as a percentage decreased .4% for the nine months ended September 30, 1995 to 17.9% from 18.3% for the same period of 1994.

Selling, general and administrative expenses increased \$66,991 (20.5%) to \$393,284 for the third quarter of 1995 from \$326,293 during the same period of 1994. Selling, general and administrative expenses increased 193,022 (20.1%) to \$1,154,595 for the first nine months of 1995 from \$961,573 during the same period of 1994. The increased selling, general, and administrative costs is due to increased advertising, personnel, and benefit costs.

The Company has recently expanded its program of providing automobile collision repair services to the insurance industry. Under its Direct Repair and Appraisal Program, the Company provides appraisal services on a per accident fee basis to insurance companies. Additionally, the Company offers, to the insured, to repair the damaged vehicle through the Company's extensive shop repair network. The Company believes that the provision of such services to insurance companies may become an important source of revenues for the Company because of the high volume of collision appraisal and repair referrals that insurance companies provide as compared with the Company's corporate fleet management clients. The Company has taken steps to obtain several insurance companies as clients.

The Company believes that it has adequate liquidity to support its cost of operations for the foreseeable future.

8

Part II OTHER INFORMATION

Item 5. Other Information

The Company entered into an Investment Banking Agreement with Kirlin Securities, Inc. ("Kirlin") on August 1, 1995. For a term of eighteen months, Kirlin will provide financial consulting and investment banking services to the Company. It is anticipated that Kirlin will assist the Company in exploring the possibility of raising additional capital through the issuance of additional shares of its Common Stock. In consideration for these services, Kirlin has been granted a Warrant to purchase 750,000 shares of the Company's Common Stock which becomes exercisable in increments on various dates and at various prices.

Item 6. Exhibits and Reports on Form 8-K.

(a) List of Exhibits

9

Item 6. Exhibits and Reports on Form 8-K.
(b) Reports on Form 8-K

None

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

10

SIGNATURES

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

FIRST PRIORITY GROUP, INC.

Date: November 14, 1995

By: /s/ Michael Karpoff

Michael Karpoff
Co-Chairman of the Board
of Directors, President and
Director (Principal Executive
Officer)

Date: November 13, 1995

By: /s/ Barry Siegel

Barry Siegel
Co-Chairman of the Board
of Directors, Treasurer,
Secretary and Director
(Principal Financial
and Accounting Officer)

11

Index of Exhibits

Exhibit No. -----	Description -----	Page ----
10.1	Investment Banking Agreement dated August 1, 1995 between the Company and Kirlin Securities, Inc.	10
10.2	Warrant dated August 1, 1995 issued to Kirlin Securities, Inc.	15

12

INVESTMENT BANKING AGREEMENT

This Agreement is made and entered into as of the 1st day of August, 1995 between Kirlin Securities, Inc. ("Kirlin" or the "Consultant") and First Priority Group, Inc. (the "Company").

In consideration of the mutual promises made herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Company hereby engages Consultant for the term specified in Paragraph 2 hereof to render financial consulting and investment banking advice to the Company upon the terms and conditions set forth herein.

2. This Agreement shall commence on August 1, 1995 and continue for a term of eighteen months; provided, however, that the Company may terminate this Agreement at the end of the any calendar month by 30 days prior written notice to Kirlin if in its sole judgment, Consultant has not adequately performed its duties hereunder.

3. During the term of this Agreement, Consultant shall provide the Company with such regular and customary financial consulting advice as is reasonably requested by the Company, provided that Consultant shall not be required to undertake duties not reasonably within the scope of this Agreement. It is understood and acknowledged by the parties that the value of Consultant's advice is not readily quantifiable, and that although Consultant shall be obligated to render the advice contemplated by this Agreement upon the reasonable request of the Company, in good faith, Consultant shall not be obligated to spend any specific amount of time in so doing. Consultant's duties may include, but will not necessarily be limited to, providing recommendations concerning the following financial and related matters as requested by the Company:

(a) Rendering advice and assistance in connection with the preparation of press releases;

(b) Assisting in the Company's financial public relations;

(c) Rendering advice with regard to internal operations, including:

(i) the formation of corporate goals and their implementation;

(ii) the Company's financial structure; and

(iii) corporate organization;

(d) Rendering advice with regard to any of the following corporate finance matters:

(i) changes in the capitalization of the Company;

(ii) changes in the Company's corporate structure;

(iii) redistribution of share holdings of the Company's stock;

(iv) offerings of securities in public and private transactions;

(v) alternative uses of corporate assets;

(vi) structure and use of debt;

(vii) sales of stock by insiders pursuant to Rule 144 or otherwise; and

(e) Rendering advice with regard to the goal of obtaining listing of the Company's Common Stock on the Nasdaq SmallCap Market.

In addition to the foregoing, Consultant agrees to furnish advice to the Company in connection with the acquisition of and/or merger with other companies, the sale of the Company itself, or any of its assets, subsidiaries or affiliates, or similar type of transaction (hereinafter referred to as a

"Transaction").

4. (a) The Company acknowledges that its ability to obtain listing of its Common Stock on the Nasdaq SmallCap Market will be dependent upon its Common Stock having a minimum bid price of \$3.00 per share and that, in all likelihood, the Company will need to effect an appropriate reverse stock split in order for the bid price of its Common Stock to achieve this level. At the appropriate time that the Company meets the other objective listing requirements, the Company agrees to effect this reverse stock split.

(b) If requested by Consultant, the Company also agrees that prior to January 15, 1996, it will offer to sell, exclusively through Consultant and pursuant to Regulation D or Section 4(2) or other applicable exemption from registration, 1,000,000 shares of its Common Stock at a minimum gross sale price of \$.50 per share in order to facilitate the Company's ability to meeting the listing requirements for the Nasdaq SmallCap Market. The Consultant shall act as the Placement Agent for such offering pursuant to a Placement Agency Agreement to be agreed upon and the Consultant shall use its best efforts to sell the shares to its customers and other interested parties.

(c) The Company and Consultant also agree that any additional financing needed during the term of this Agreement to meet the listing criteria for the Nasdaq SmallCap Market will be raised exclusively through Consultant at a price and on such terms as may be agreed upon. If the Company does not record net income during such trailing 12 months' term, such financing will be raised at a price of \$.50 per share.

5. The Company shall pay Consultant the following compensation:

(a) Upon execution of this Agreement, the Company is issuing to Kirilin (or its designees) 750,000 warrants ("Warrants") to purchase its Common Stock upon the terms set forth in the warrant agreement(s) in the form of Exhibit A hereto. The Warrants are fully earned by Kirilin as of the execution of this Agreement and may not be terminated by the Company for any reason; although it is acknowledged that the exercisability of the Warrants is dependent upon the conditions set forth in the Warrant Agreement.

(b) In the event that the Company consummates any Transaction that is or was originated directly or indirectly by Consultant during the term of this Agreement, the Company shall pay fees to Consultant as follows:

Consideration	Fee
----- \$ -0- to \$100,000	--- Minimum fee of \$5,000
\$ 100,001 to \$2,000,000	5% of Consideration
\$ 2,000,001 or more	\$100,000 plus 3% of the Consideration in excess of \$2,000,000

For the purposes of this Agreement, "Consideration" shall mean the total market value on the date of closing of the Transaction of the cash, promissory notes, securities, assets and all other property (real or personal) exchanged, received or paid, directly or indirectly, to or by the Company or any of its officers, directors, employees or security holders in connection with any Transaction, including without limitation any amounts paid to holders of warrants, stock purchase rights, options, stock appreciation rights, or convertible securities of the Company or any affiliate thereof, or pursuant to any employment, royalty or consulting agreement, covenant not to compete, earnout or contingent payment right or similar arrangement, agreement or understanding, whether oral or written. Any co-broker retained by Consultant shall be paid by Consultant.

15

(c) If Consultant acts as an underwriter or placement agent in the sale or distribution of securities by the Company to the public or in a private transaction (an "Offering"), Consultant shall receive, as compensation for services rendered, commissions equal to ten percent (10%) of the gross proceeds received by the Company, a nonaccountable expense allowance equal to three percent (3%) of the gross proceeds received by the Company and warrants to purchase an amount of securities of the Company equal to ten percent (10%) of

the total amount sold by the Company in such Offering, together with such other compensation as may be agreed upon by the Company and the Consultant. The exercise price of the warrants shall be no less than the price paid by the investors in such offering.

(d) Fees and expenses payable to Consultant with regard to fairness opinions and valuations requested by the Company will be determined by mutual agreement at such time as the nature and terms of such financing are affirmed.

All fees to be paid pursuant to this paragraph 5, except as otherwise agreed in writing, are due and payable to Consultant in cash at the closing or closings of any transaction. In the event that this Agreement shall not be renewed, or if this Agreement is terminated for any reason, then notwithstanding any such non-renewal or termination, Consultant shall be entitled to receive the full fee provided for hereunder for any transaction for which the discussions or introductions were initiated during the term of this Agreement. In the event that this Agreement shall not be renewed, or if this Agreement is terminated for any reason, then notwithstanding any such non-renewal or termination, Consultant

shall be entitled to receive the full fee provided for hereunder for any transaction for which the discussions or introductions were initiated during the term of this Agreement, provided that such transaction was consummated within the later of: (a) one year from the expiration date of this Agreement; or (b) 18 months from the initial date of introductions or discussions between the Company and the other parties to the transaction.

6. In addition to the fees payable hereunder, and regardless of whether any transaction set forth in paragraph 5 is proposed or consummated, if the Company has so agreed in writing and in advance of the incurrence of expenses by the Consultant, the Company shall reimburse Consultant for all reasonable travel and out-of-pocket expenses incurred in connection with the services performed by Consultant pursuant to this Agreement, promptly after submission to the Company of appropriate evidence of such expenditures.

7. (a) The Company acknowledges that all opinions and advice (written or oral) given by Consultant to the Company in connection with Consultant's engagement are intended solely for the benefit and use of the Company in considering the transaction to which they relate, and the Company agrees that no person or entity other than the Company shall be entitled to make use of or rely upon the advice of Consultant to be given hereunder, and no such opinion or advice shall be used for any manner or for any purpose, nor may the Company make any public references to Consultant, or use the Consultant's name in any annual reports or any other reports or releases of the Company, without Consultant's prior written consent.

(b) The Company acknowledges that Consultant makes no commitment to make a market in the Company's securities, to recommend or advise its clients to purchase the Company's securities, or to prepare research or corporate finance reports.

8. Consultant will hold in confidence any confidential information which the Company provides to Consultant pursuant to this Agreement which is designated by an appropriate stamp or legend as being confidential. Notwithstanding the foregoing, Consultant shall not be required to maintain confidentiality with respect to information (i) which is or becomes part of the public domain not due to the breach of this Agreement by Consultant; (ii) of which it had independent knowledge prior to disclosure; (iii) which comes into the possession of Consultant in the normal and routine course of its own business from and through independent non-confidential sources; or (iv) which is required to be disclosed by Consultant by laws, rules or regulators. If Consultant is requested or required to disclose any confidential information

16

supplied to it by the Company, Consultant shall, unless prohibited by law, promptly notify the Company of such request(s) so that the Company may seek an appropriate protective order.

9. The Company acknowledges that Consultant or its affiliates are in the business of providing financial services and consulting advice to others. Nothing herein contained shall be construed to limit or restrict Consultant in conducting such business with others, or in rendering such advice to others.

10. The Company recognizes and confirms that, in advising the Company hereunder, Consultant will use and rely on data, material and other information furnished to Consultant by the Company, without independently verifying the accuracy, completeness or veracity of same.

11. The Company agrees to indemnify and hold harmless Kirlin, its employees, agents, representatives and controlling persons from and against any and all losses, claims, damages, liabilities, suits, actions, proceedings, costs and expenses (collectively, "Damages"), including, without limitation, reasonable attorney fees and expenses, as and when incurred, if such Damages were directly or indirectly caused by, relating to, based upon or arising out of the rendering by Kirlin of services pursuant to this Agreement, so long as Kirlin shall not have engaged in intentional or willful misconduct, or shall have acted grossly negligently, in connection with the services provided which form the basis of the claim for indemnification. This paragraph shall survive the termination of this Agreement.

12. Consultant shall perform its services hereunder as an independent contractor and not as an employee or agent of the Company or any affiliate thereof. Consultant shall have no authority to act for, represent or bind the Company or any affiliate thereof in any manner, except as may be expressly agreed to by the Company in writing from time to time.

13. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. No provision of this Agreement may be amended, modified or waived, except in a writing signed by both parties. This Agreement shall be binding upon and inure to the benefit of each of the parties and their respective successors, legal representatives and assigns. This Agreement may be executed in counterparts. In the event of any dispute under this Agreement, then and in such event, each party agrees that the same shall be submitted to the American Arbitration Association ("AAA") in the City of New York, for its decision and determination in accordance with its rules and regulations then in effect. Each of the parties agrees that the decision and/or award made by the AAA may be entered as judgment of the Courts or the State of New York, and shall be enforceable as such. This Agreement shall be construed and enforced in accordance with the laws of the State of New York, without giving effect to conflict of laws.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the day and year first above written.

KIRLIN SECURITIES, INC.

FIRST PRIORITY GROUP, INC.

By: /s/ Anthony J. Kirincic

By: /s/ Barry Siegel

Anthony J. Kirincic, President

Barry Siegel, Co-Chairman

18

THE REGISTERED HOLDER OF THIS WARRANT, BY ITS ACCEPTANCE HEREOF, AGREES THAT IT WILL NOT SELL, TRANSFER OR ASSIGN THIS WARRANT EXCEPT AS HEREIN PROVIDED.

VOID AFTER 5:00 P.M. EASTERN TIME, JULY 31, 2000.

WARRANT

For the Purchase of

750,000 Shares of Common Stock

of

FIRST PRIORITY GROUP, INC.

1. Warrant.

THIS CERTIFIES THAT, in consideration of \$10.00 and other good and valuable consideration, duly paid by or on behalf of Kirlin Securities, Inc. ("Holder"), as registered owner of this Warrant, to First Priority Group, Inc. ("Company"), Holder is entitled, at any time or from time to time at or after the dates set forth below in this Section 1 (each a "Commencement Date"), and at or before 5:00 p.m., Eastern Time, July 31, 2000 ("Expiration Date"), but not thereafter, to subscribe for, purchase and receive, in whole or in part, up to Seven Hundred Fifty Thousand (750,000) shares of Common Stock of the Company ("Common Stock"). If the Expiration Date is a day on which banking institutions are authorized by law to close, then this Warrant may be exercised on the next succeeding day which is not such a day in accordance with the terms herein. During the period ending on the Expiration Date, the Company agrees not to take any action that would terminate the Warrant, except as expressly provided below in this Section 1. This Warrant is initially exercisable at a price per share of Common Stock purchased set forth below in this Section 1; provided, however, that upon the occurrence of any of the events specified in Section 6 hereof, the rights granted by this Warrant, including the exercise price and the number of shares of Common Stock to be received upon such exercise, shall be adjusted as therein specified. The term "Exercise Price" shall mean the initial exercise price or the adjusted exercise price, depending on the context, of a share of Common Stock. The term "Securities" shall mean the shares of Common Stock issuable upon exercise of this Warrant.

This Warrant shall become exercisable as follows:

- (A) The right to purchase 125,000 shares of Common Stock shall become exercisable, at an initial exercise price per share of \$.25 upon the execution date of the Investment Banking Agreement dated August 1, 1995 (the "Consulting Agreement") between the Company and Kirlin Securities, Inc. ("Kirlin");
- (B) The right to purchase 125,000 shares of Common Stock shall become exercisable, at an initial exercise price per share of \$.125, on December 31, 1995, provided that prior to that date the Company shall have not terminated the Consulting Agreement with Kirlin;
- (C) The right to purchase 350,000 shares of Common Stock shall become exercisable, at an initial exercise price per share of \$.25, on

19

January 31, 1997, provided that prior to that date the Company shall have not terminated the Consulting Agreement;

- (D) The right to purchase 150,000 shares of Common Stock shall become exercisable, at an initial exercise price of \$.375, on July 31, 1996, provided that prior to that date the Company

shall have not terminated the Consulting Agreement; and

- (E) Notwithstanding (b), (c) and (d) above, should Kirlin successfully complete the sale of 1,000,000 shares of the Company's Common Stock under the terms set forth in paragraph 4(b) of the Consulting Agreement, then at that time, the Holder shall have the right to purchase all of the remaining shares available under this Warrant that were not yet exercisable.

Once a portion of this Warrant has first become exercisable, it shall remain exercisable until the Expiration Date.

2. Exercise.

2.1 Exercise Form. In order to exercise this Warrant, the exercise form attached hereto must be duly executed and completed and delivered to the Company, together with this Warrant and payment of the Exercise Price for the Securities being purchased. If the subscription rights represented hereby shall not be exercised at or before 5:00 p.m., Eastern time, on the Expiration Date, this Warrant shall become and be void without further force or effect, and all rights represented hereby shall cease and expire.

2.2 Legend. Each certificate for Securities purchased under this Warrant shall bear a legend as follows, unless such Securities have been registered under the Securities Act of 1933, as amended ("Act"):

"The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended ("Act") or applicable state law. The securities may not be offered for sale, sold or otherwise transferred except pursuant to an effective registration statement under the Act, or pursuant to an exemption from registration under the Act and applicable state law."

2.3 Conversion Right.

2.3.1 Determination of Amount. In lieu of the payment of the Exercise Price in cash, the Holder shall have the right (but not the obligation) to convert this Warrant, in whole or in part, into Common Stock ("Conversion Right"), as follows: upon exercise of the Conversion Right, the Company shall deliver to the Holder (without payment by the Holder of any of the Exercise Price) that number of shares of Common Stock equal to the quotient obtained by dividing (x) the "Value" (as defined below) of the portion of the Warrant being converted at the time the Conversion Right is exercised by (y) the Market Price. The "Value" of the portion of the Warrant being converted shall equal the remainder derived from subtracting (a) the Exercise Price multiplied by the number of shares of Common Stock being converted from (b) the Market Price of the Common Stock multiplied by the number of shares of Common Stock being converted. As used herein, the term "Market Price" at any date shall be deemed to be the last reported sale price of the Common Stock on such date, or, in case no such reported sale takes place on such day, the average of the last reported sale prices for the immediately preceding three trading days, in either case as officially reported by the principal securities exchange on which the Common Stock is listed or admitted to trading, or, if the Common Stock is not listed or admitted to trading on any national securities exchange or if any such exchange on which the

20

Common Stock is listed is not its principal trading market, the last reported sale price as furnished by the National Association of Securities Dealers, Inc. ("NASD") through the Nasdaq National Market or SmallCap Market, or, if applicable, the OTC Bulletin Board, or if the Common Stock is not listed or admitted to trading on any of the foregoing markets, or similar organization, as determined in good faith by resolution of the Board of Directors of the Company, based on the best information available to it.

2.3.2 Exercise of Conversion Right. The Conversion Right may be exercised by the Holder on any business day on or after the Commencement Date and not later than the Expiration Date by delivering the Warrant with a duly executed exercise form attached hereto with the conversion section completed to the Company, exercising the Conversion Right and specifying the total number of shares of Common Stock the Holder will purchase pursuant to such conversion.

3. Transfer.

3.1 General Restrictions. The registered Holder of this Warrant, by its acceptance hereof, agrees that it will not sell, transfer or assign or hypothecate this Warrant to anyone except upon compliance with, or pursuant to exemptions from, applicable securities laws. In order to make any permitted assignment, the Holder must deliver to the Company the assignment form attached hereto duly executed and completed, together with this Warrant and payment of all transfer taxes, if any, payable in connection therewith. The Company shall immediately transfer this Warrant on the books of the Company and shall execute and deliver a new Warrant or Warrants of like tenor to the appropriate assignee(s) expressly evidencing the right to purchase the aggregate number of shares of Common Stock purchasable hereunder or such portion of such number as shall be contemplated by any such assignment.

3.2 Restrictions Imposed by the Securities Act. This Warrant and the Securities underlying this Warrant shall not be transferred unless and until (i) the Company has received the opinion of counsel for the Holder that such securities may be sold pursuant to an exemption from registration under the Act, and applicable state law, the availability of which is established to the reasonable satisfaction of the Company, or (ii) a registration statement relating to such Securities has been filed by the Company and declared effective by the Securities and Exchange Commission and compliance with applicable state law.

4. New Warrants to be Issued.

4.1 Partial Exercise or Transfer. Subject to the restrictions in Section 3 hereof, this Warrant may be exercised or assigned in whole or in part. In the event of the exercise or assignment hereof in part only, upon surrender of this Warrant for cancellation, together with the duly executed exercise or assignment form and funds (or conversion equivalent) sufficient to pay any Exercise Price and/or transfer tax, the Company shall cause to be delivered to the Holder without charge a new Warrant of like tenor to this Warrant in the name of the Holder evidencing the right of the Holder to purchase the aggregate number of shares of Common Stock and Warrants purchasable hereunder as to which this Warrant has not been exercised or assigned.

4.2 Lost Certificate. Upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Warrant and of reasonably satisfactory indemnification, the Company shall execute and deliver a new Warrant of like tenor and date. Any such new Warrant executed and delivered as a result of such loss, theft, mutilation or destruction shall constitute a substitute contractual obligation on the part of the Company.

21

5. Registration Rights.

5.1 "Piggy-Back" Registration.

5.1.1 Grant of Right. The Holders of this Warrant shall have the right for a period of seven years from the Commencement Date to include all or any part of this Warrant and the shares of Common Stock underlying this Warrant (collectively, the "Registrable Securities") as part of any registration of securities filed by the Company (other than in connection with a transaction contemplated by Rule 145(a) promulgated under the Act or pursuant to Form S-8 or any equivalent form); provided, however, that if, in the written opinion of the Company's managing underwriter or underwriters, if any, for such offering (the "Underwriter"), the inclusion of the Registrable Securities, when added to the securities being registered by the Company or the selling stockholder(s), will exceed the maximum amount of the Company's securities which can be marketed (i) at a price reasonably related to their then current market value, or (ii) without materially and adversely affecting the entire offering, the Company shall nevertheless register all or any portion of the Registrable Securities required to be so registered but such Registrable Securities shall not be sold by the Holders until 90 days after the registration statement for such offering has become effective or for such longer period as the managing underwriter may require; and provided further that, if any securities are registered for sale on behalf of other stockholders in such offering and such stockholders have not

agreed to defer such sale until the expiration of such period, the number of securities to be sold by all stockholders in such public offering during such

period shall be apportioned pro rata among all such selling stockholders, including all holders of the Registrable Securities, according to the total amount of securities of the Company owned by said selling stockholders, including all holders of the Registrable Securities.

5.1.2 Terms. The Company shall bear all fees and expenses attendant to registering the Registrable Securities, but the Holders shall pay any and all underwriting commissions and the expenses of any legal counsel selected by the Holders to represent them in connection with the sale of the Registrable Securities. In the event of such a proposed registration, the Company shall furnish the then Holders of outstanding Registrable Securities with not less than thirty days written notice prior to the proposed date of filing of such registration statement. Such notice to the Holders shall continue to be given for each registration statement filed by the Company until such time as all of the Registrable Securities have been sold by the Holder. The holders of the Registrable Securities shall exercise the "piggy-back" rights provided for herein by giving written notice, within twenty days of the receipt of the Company's notice of its intention to file a registration statement. The Company shall cause any registration statement filed pursuant to the above "piggyback" rights to remain effective for at least nine months from the date that the Holders of the Registrable Securities are first given the opportunity to sell all of such securities.

5.2 General Terms.

5.2.1 Indemnification.

(a) The Company shall indemnify the Holder(s) of the Registrable Securities to be sold pursuant to any registration statement hereunder and each person, if any, who controls such Holders within the meaning of Section 15 of the Act or Section 20(a) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), against all loss, claim, damage, expense or liability (including all

22

reasonable attorneys' fees and other expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which any of them may become subject under the Act, the Exchange Act or otherwise, arising from such registration statement. The Holder(s) of the Registrable Securities to be sold pursuant to such registration statement, and their successors and assigns, shall severally, and not jointly, indemnify the Company, against all loss, claim, damage, expense or liability (including all reasonable attorneys' fees and other expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which they may become subject under the Act, the Exchange Act or otherwise, arising from information furnished by or on behalf of such Holders, or their successors or assigns, in writing, for specific inclusion in such registration statement.

(b) If any action is brought against a party hereto, ("Indemnified Party") in respect of which indemnity may be sought against the other party ("Indemnifying Party"), such Indemnified Party shall promptly notify

Indemnifying Party in writing of the institution of such action and Indemnifying Party shall assume the defense of such action, including the employment and fees of counsel reasonably satisfactory to the Indemnified Party, and the payment of actual expenses. Such Indemnified Party shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the employment of such counsel shall have been authorized in writing by Indemnifying Party in connection with the defense of such action, or (ii) Indemnifying Party shall not have employed counsel to defend such action, or (iii) such Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it which may result in a conflict between the Indemnified Party and Indemnifying Party (in which case Indemnifying Party shall not have the right to direct the defense of such action on behalf of the Indemnified Party), in any of which events, the reasonable fees and expenses of not more than one additional firm of attorneys designated in writing by the Indemnified Party shall be borne by Indemnifying Party. Notwithstanding anything to the contrary contained herein, if Indemnified Party shall assume the defense of such action as provided above, Indemnifying Party shall not be liable for any settlement of any such action effected without its written consent.

(c) If the indemnification or reimbursement provided for

hereunder is finally judicially determined by a court of competent jurisdiction to be unavailable to an Indemnified Party (other than as a consequence of a final judicial determination of willful misconduct, bad faith or gross negligence of such Indemnified Party), then Indemnifying Party agrees, in lieu of indemnifying such Indemnified Party, to contribute to the amount paid or payable by such Indemnified Party (i) in such proportion as is appropriate to reflect the relative benefits received, or sought to be received, by Indemnifying Party on the one hand and by such Indemnified Party on the other or (ii) if (but only if) the allocation provided in clause (i) of this sentence is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in such clause (i) but also the relative fault of Indemnifying Party and of such Indemnified Party; provided, however, that in no event shall the aggregate amount contributed by a Holder exceed the profit, if any, earned by such Holder as a result of the exercise by him of the Warrants and the sale by him of the underlying shares of Common Stock.

(d) The rights accorded to Indemnified Parties hereunder shall be in addition to any rights that any Indemnified Party may have at common law, by separate agreement or otherwise.

5.2.2 Exercise of Warrants. Nothing contained in this Warrant shall be construed as requiring the Holder(s) to exercise their Warrants prior to or after the initial filing of any registration statement or the effectiveness thereof.

5.2.3 Documents Delivered to Holders. The Company shall furnish to each Holder participating in any of the foregoing offerings and to each Underwriter of any such offering, if any, a signed counterpart, addressed to such Holder or Underwriter, of (i) an opinion of counsel to the Company, dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, an opinion dated the date of the closing under any underwriting agreement related thereto), and (ii) a

"cold comfort" letter dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, a letter dated the date of the closing under the underwriting agreement) signed by

23

the independent public accountants who have issued a report on the Company's financial statements included in such registration statement, in each case covering substantially the same matters with respect to such registration statement (and the prospectus included therein) and, in the case of such accountants' letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to underwriters in underwritten public offerings of securities. The Company shall also deliver promptly to each Holder participating in the offering requesting the correspondence and memoranda described below and to the managing underwriter copies of all correspondence between the Commission and the Company, its counsel or auditors and all memoranda relating to discussions with the Commission or its staff with respect to the registration statement and permit each Holder and underwriter to do such investigation, upon reasonable advance notice, with respect to information contained in or omitted from the registration statement as it deems reasonably necessary to comply with applicable securities laws or rules of the NASD. Such investigation shall include access to books, records and properties and opportunities to discuss the business of the Company with its officers and independent auditors, all to such reasonable extent and at such reasonable times and as often as any such Holder shall reasonably request. The cost for the opinion of counsel and the "cold comfort" letter referenced in this section shall be borne equally by the Company and the Holder.

6. Adjustments.

6.1 Adjustments to Exercise Price and Number of Securities. The Exercise Price and the number of shares of Common Stock underlying this Warrant shall be subject to adjustment from time to time as hereinafter set forth:

6.1.1 Stock Dividends - Recapitalization, Reclassification, Split-Ups. If, after the date hereof, and subject to the provisions of Section 6.2 below, the number of outstanding shares of Common Stock is increased by a stock dividend on the Common Stock payable in shares of Common Stock or by a

split-up, recapitalization or reclassification of shares of Common Stock or other similar event, then, on the effective date thereof, the number of shares of Common Stock issuable on exercise of this Warrant shall be increased in proportion to such increase in outstanding shares.

6.1.2 Aggregation of Shares. If after the date hereof, and subject to the provisions of Section 6.3, the number of outstanding shares of Common Stock is decreased by a reverse stock split, consolidation, combination or reclassification of shares of Common Stock or other similar event, then, upon the effective date thereof, the number of shares of Common Stock issuable on exercise of this Warrant shall be decreased in proportion to such decrease in outstanding shares.

6.1.3 Adjustments in Exercise Price. Whenever the number of shares of Common Stock purchasable upon the exercise of this Warrant is adjusted, as provided in this Section 6.1, the Exercise Price shall be adjusted (to the nearest cent) by multiplying such Exercise Price immediately prior to such adjustment by a fraction (x) the numerator of which shall be the number of shares of Common Stock purchasable upon the exercise of this Warrant immediately prior to such adjustment, and (y) the denominator of which shall be the number of shares of Common Stock so purchasable immediately thereafter.

6.1.4 Replacement of Securities upon Reorganization, etc. In case of any reclassification or reorganization of the outstanding shares of Common Stock other than a change covered by Section 6.1.1 hereof or which solely affects the par value of such shares of Common Stock, or in the case of any merger or consolidation of the Company with or into another corporation (other than a consolidation or merger in which the Company is the continuing corporation and which does not result in any reclassification or reorganization of the outstanding shares of Common Stock), or in the case of any sale or conveyance to another corporation or

24

entity of the property of the Company as an entirety or substantially as an entirety in connection with which the Company is dissolved, the Holder of this Warrant shall have the right thereafter (until the expiration of the right of exercise of this Warrant) to receive upon the exercise hereof, for the same aggregate Exercise Price payable hereunder immediately prior to such event, the kind and amount of shares of stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or other transfer, by a Holder of the number of shares of Common Stock of the Company obtainable upon exercise of this Warrant immediately prior to such event; and if any reclassification also results in a change in shares of Common Stock covered by Sections 6.1.1 or 6.1.2, then such adjustment shall be made pursuant to Sections 6.1.1, 6.1.2, 6.1.3 and this Section 6.1.4. The provisions of this Section 6.1.4 shall similarly apply to successive reclassifications, reorganizations, mergers or consolidations, sales or other transfers.

6.1.5 Changes in Form of Warrant. This form of Warrant need not be changed because of any change pursuant to this Section, and Warrants issued after such change may state the same Exercise Price and the same number of shares of Common Stock and Warrants as are stated in the Warrants initially issued pursuant to this Agreement. The acceptance by any Holder of the issuance of new Warrants reflecting a required or permissive change shall not be deemed to waive any rights to a prior adjustment or the computation thereof.

6.2 Elimination of Fractional Interests. The Company shall not be required to issue certificates representing fractions of shares of Common Stock upon the exercise of this Warrant, nor shall it be required to issue scrip or pay cash in lieu of any fractional interests, it being the intent of the parties that all fractional interests shall be eliminated by rounding any fraction up or down to the nearest whole number of shares of Common Stock or other securities, properties or rights.

7. Reservation and Listing. The Company shall at all times reserve and keep available out of its authorized shares of Common Stock, solely for the purpose of issuance upon exercise of this Warrant, such number of shares of Common Stock or other securities, properties or rights as shall be issuable upon the exercise thereof. The Company covenants and agrees that, upon exercise of the Warrants

and payment of the Exercise Price therefor, all shares of Common Stock and other securities issuable upon such exercise shall be duly and validly issued, fully paid and non-assessable and not subject to preemptive rights of any stockholder. As long as the Warrants shall be outstanding, the Company shall use its best efforts to cause all shares of Common Stock issuable upon exercise of the Warrants to be listed (subject to official notice of issuance) on all securities exchanges (or, if applicable on Nasdaq) on which the Common Stock is then listed and/or quoted.

8. Certain Notice Requirements.

8.1 Holder's Right to Receive Notice. Nothing herein shall be construed as conferring upon the Holders the right to vote or consent or to receive notice as a stockholder for the election of directors or any other matter, or as having any rights whatsoever as a stockholder of the Company. If, however, at any time prior to the expiration of the Warrants and their exercise, any of the events described in Section 8.2 shall occur, then, in one or more of said events, the Company shall give written notice of such event at least fifteen days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the stockholders entitled to such dividend, distribution, conversion or exchange of securities or subscription rights, or entitled to vote on such proposed dissolution, liquidation, winding up or sale. Such notice shall specify such record date or the date of the closing of the transfer books, as the case may be.

8.2 Events Requiring Notice. The Company shall be required to give the notice described in this Section 8 upon one or more of the following events: (i) if the Company shall take

25

a record of the holders of its shares of Common Stock for the purpose of entitling them to receive a dividend or distribution payable otherwise than in cash, or a cash dividend or distribution payable otherwise than out of retained earnings, as indicated by the accounting treatment of such dividend or distribution on the books of the Company, or (ii) the Company shall offer to all the holders of its Common Stock any additional shares of capital stock of the Company or securities convertible into or exchangeable for shares of capital stock of the Company, or any option, right or warrant to subscribe therefor, or (iii) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation or merger) or a sale of all or substantially all of its property, assets and business shall be proposed.

8.3 Notice of Change in Exercise Price. The Company shall, promptly after an event requiring a change in the Exercise Price pursuant to Section 6 hereof, send notice to the Holders of such event and change ("Price Notice"). The Price Notice shall describe the event causing the change and the method of calculating same and shall be certified as being true and accurate by the Company's Chief Financial Officer.

8.4 Transmittal of Notices. All notices, requests, consents and other communications under this Warrant shall be in writing and shall be deemed to have been duly made on the date of delivery if delivered personally or sent by overnight courier, with acknowledgment of receipt to the party to which notice is given, or on the fifth day after mailing if mailed to the party to whom notice is to be given, by registered or certified mail, return receipt requested, postage prepaid and properly addressed as follows: (i) if to the registered Holder of this Warrant, to the address of such Holder as shown on the books of the Company, or (ii) if to the Company, to its principal executive office.

9. Miscellaneous.

9.1 Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Warrant.

9.2 Entire Agreement. This Warrant (together with the other agreements and documents being delivered pursuant to or in connection with this Warrant) constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings of the parties, oral and written, with respect to the subject matter hereof.

9.3 Binding Effect. This Warrant shall inure solely to the benefit of and shall be binding upon, the Holder and the Company and their respective successors, legal representatives and assigns, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Warrant or any provisions herein contained.

9.4 Governing Law; Submission to Jurisdiction. This Warrant shall be governed by and construed and enforced in accordance with the law of the State of New York, without giving effect to conflict of laws. The Company hereby agrees that any action, proceeding or claim against it arising out of, or relating in any way to this Warrant shall be brought and enforced in the courts of the State of New York or of the United States of America for the Southern District of New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive. The Company hereby waives any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. Any process or summons to be served upon the Company may be served by transmitting a copy thereof by registered or certified mail, return receipt requested, postage prepaid, addressed to it at the address set forth in Section 8 hereof. Such mailing shall be deemed personal service and shall be legal and binding upon the Company in any action, proceeding or claim. The Company agrees that the prevailing party(ies) in any such

26

action shall be entitled to recover from the other party(ies) all of its reasonable attorneys' fees and expenses relating to such action or proceeding and/or incurred in connection with the preparation therefor.

9.5 Waiver, Etc. The failure of the Company or the Holder to at any time enforce any of the provisions of this Warrant shall not be deemed or construed to be a waiver of any such provision, nor to in any way affect the validity of this Warrant or any provision hereof or the right of the Company or any Holder to thereafter enforce each and every provision of this Warrant. No waiver of any breach, non-compliance or non-fulfillment of any of the provisions of this Warrant shall be effective unless set forth in a written instrument executed by the party or parties against whom or which enforcement of such waiver is sought; and no waiver of any such breach, non-compliance or non-fulfillment shall be construed or deemed to be a waiver of any other or subsequent breach, non-compliance or non-fulfillment.

9.6 Execution in Counterparts. This Warrant may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement, and shall become effective when one or more counterparts has been signed by each of the parties hereto and delivered to each of the other parties hereto.

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed by its duly authorized officer as of the 1st day of August, 1995.

FIRST PRIORITY GROUP, INC.

By: /s/ Barry Siegel

Name: Barry Siegel
Title: Co-Chairman

27

Form to be used to exercise Warrant:

First Priority Group, Inc.
270 Duffy Avenue
Hicksville, New York 11801

Date: _____

The undersigned hereby elects irrevocably to exercise the within Warrant and to purchase ____ shares of Common Stock of First Priority Group, Inc. and

hereby makes payment of \$_____ (at the rate of \$_____ per share of Common Stock) in payment of the Exercise Price pursuant thereto. Please issue the Common Stock as to which this Warrant is exercised in accordance with the instructions given below.

or

The undersigned hereby elects irrevocably to convert its right to purchase _____ shares of Common Stock purchasable under the within Warrant into _____ shares of Common Stock of _____ (based on a "Market Price" of \$_____ per share of Common Stock). Please issue the Common Stock in accordance with the instructions given below.

Signature

Signature Guaranteed

NOTICE: The signature to this form must correspond with the name as written upon the face of the within Warrant in every particular without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank, other than a savings bank, or by a trust company or by a firm having membership on a registered national securities exchange.

INSTRUCTIONS FOR REGISTRATION OF SECURITIES

Name _____
(Print in Block Letters)

Address _____

28

Form to be used to assign Warrant:

ASSIGNMENT

(To be executed by the registered Holder to effect a transfer of the within Warrant):

FOR VALUE RECEIVED, _____ does hereby sell, assign and transfer unto _____ the right to purchase _____ shares of Common Stock of _____ ("Company") evidenced by the within Warrant and does hereby authorize the Company to transfer such right on the books of the Company.

Dated: _____, 199_

Signature

NOTICE: The signature to this form must correspond with the name as written upon the face of the within Warrant in every particular without alteration or enlargement or any change whatsoever.

29

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

The schedule contains summary financial information extracted from the consolidated financial statements and is qualified in its entirety by reference to such financial statements.

</LEGEND>

<S>	<C>
<PERIOD-START>	JAN-1-1995
<PERIOD-TYPE>	9-MOS
<FISCAL-YEAR-END>	DEC-31-1995
<PERIOD-END>	SEP-30-1995
<CASH>	410,133
<SECURITIES>	0
<RECEIVABLES>	857,135
<ALLOWANCES>	0
<INVENTORY>	0
<CURRENT-ASSETS>	1,288,236
<PP&E>	242,306
<DEPRECIATION>	126,404
<TOTAL-ASSETS>	1,414,713
<CURRENT-LIABILITIES>	997,257
<BONDS>	0
<COMMON>	77,258
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<OTHER-SE>	310,743
<TOTAL-LIABILITY-AND-EQUITY>	1,414,713
<SALES>	7,346,860
<TOTAL-REVENUES>	7,350,739
<CGS>	0
<TOTAL-COSTS>	6,031,671
<OTHER-EXPENSES>	1,154,595
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	0
<INCOME-PRETAX>	164,473
<INCOME-TAX>	1,000
<INCOME-CONTINUING>	163,473
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	163,473
<EPS-PRIMARY>	.03
<EPS-DILUTED>	.03

</TABLE>