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January 14, 2003

**VIA FACSIMILE AND
FIRST CLASS MAIL**

Bureau of Securities Regulation
Department of State
State of New Hampshire
State House, Room 204
Concord, New Hampshire 03301-4989

Attn: Jeffrey Spill, Esquire

Re: In re Scott D. Farah, Financial Resources & Assistance of the Lakes
Region, Inc., Respondents
No. INV00-007

Ladies and Gentlemen:

On behalf of Scott D. Farah and Financial Resources & Assistance of the Lakes Region, Inc. (the "Company"; collectively with Scott D. Farah, the "Farah Respondents"), for purposes of setting forth several material undertakings to be performed by the Company in lieu of presently scheduled administrative proceedings, the Farah Respondents hereby undertake and agree with the Bureau of Securities Regulation, Department of State, State of New Hampshire (the "Bureau"), as follows:

- The administrative proceedings scheduled for Tuesday, January 14, 2003 are hereby postponed until Tuesday, April 29, 2003 pending satisfaction of the undertakings expressed herein and subsequent execution of a formal Consent Agreement, as discussed further below, in this proceeding. The Farah Respondents will file a joint motion with the Presiding Officer in the administrative proceeding requesting a continuance until April 29, 2003, and will attach a true copy of this letter agreement thereto.

GALLAGHER, CALLAHAN & GARTRELL, P.A.

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- The Bureau will furnish a letter to each of the stakeholders of the Company, namely "holders" of shares of its preferred stock and notes, substantially in the form of the letter attached as Schedule 1 hereto. The Company will furnish the Bureau with the names and current addresses of each of such stakeholders within seven (7) days after the date hereof.
- The Company will not issue any new securities without the prior approval of the Bureau (for purposes hereof, the term securities shall include but is not limited to, shares of preferred stock and notes or "Accounts", so called). Neither the Company nor its agents will communicate with any stakeholder for the purpose of soliciting the stakeholder to keep or to sell his, her or its investment in the Company.
- Upon the prior request of a preferred holder or a note holder, the Company is authorized to pay-off and thereby redeem any outstanding preferred stock or note.
- The Company will subsequently undertake a rescission offer to the holders of its outstanding preferred stock and notes, such undertaking to be commenced at the discretion of the Bureau. The Company will cooperate with the Bureau in undertaking such a rescission offer, which will include full disclosure with respect to the Company's operations and financial status. The rescission offer must be fully funded by the Company.
- The Company will immediately commence procedures necessary to have its financial statements for the periods ended December 31, 2001 and 2002 prepared and audited by an independent third party, Connor & Associates, P.C. Any change in the identity of such auditor must be approved by the Bureau. The Company will furnish the Bureau with a complete copy of said audited financial statements as soon as they are finalized and received. Not later than April 14, 2003, the Company will file with the Bureau updated schedules listing the stakeholders of the Company and the amounts of their investments, substantially in the form of the schedules previously furnished to the Bureau. The Bureau may withdraw from this letter agreement at its own initiative following April 14, 2003, or in the event of a material adverse change in the financial condition of the Company.

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- Following satisfactory completion of the rescission offer to the satisfaction of the Bureau, the parties will thereafter enter into a negotiated Consent Agreement in this matter in which, among other things, the Farah Respondents, without admitting or denying the allegations and findings set forth therein, including but not limited to compliance with the registration and licensing provisions of the Act for any sale of securities, will consent to certain findings, conclusions and undertakings set forth therein, included but not limited to the payment of an administrative fine in the amount of \$25,000.

Very truly yours,

Scott Farah
Financial Resources & Assistance of the
Lakes Region, Inc.

By Its Attorneys
Gallagher, Callahan & Gartrell, P.A.

By: _____

Denis J. Maloney

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