



EXECUTIVE SUMMARY

PRIVATE & CONFIDENTIAL

www.LangaraGroup.com

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You hereby agree that the Evaluation Material will be used solely for purposes in connection with a possible transaction with the Company, and that such information will be kept permanently confidential by you and your Representatives and you will not distribute this Evaluation Material or any part hereof to others at any time without the prior written consent of the Company. You agree to restrain your Representatives from prohibited or unauthorized disclosure or use of the Evaluation Material and shall be responsible for any such breach hereof. This Evaluation Material is being delivered for informational purposes and upon the express understanding that it will be used only for the purposes set forth above. In the event that the possible transaction which is the subject of this agreement is not completed or at the Company's request, you shall promptly return to the Company all written material containing or reflecting any information contained in the Evaluation Material and will not retain any copies, extracts or other reproductions in whole or in part of such written material.

It is understood and agreed that money damages would not be a sufficient remedy for any breach of this agreement and that Company shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. In the event of litigation relating to this agreement, the prevailing party shall be entitled to receive reasonable legal fees and costs incurred in connection with such litigation. California law will govern the terms and conditions of this agreement. Your retention of the Evaluation Material shall constitute acceptance of the terms and conditions hereof. If you do not agree to the terms hereof, please do not read the Evaluation Material and immediately return such to the Company. We would nonetheless appreciate your kindly signing and returning one copy of this agreement, which will constitute our agreement with respect to the subject matter hereof.

Dated: _____

(Signature): _____

(Print Name): _____

I) Business Activity

Langara Entertainment, Inc., (“Langara”), incorporated in 1999, is a category manager and distributor of prerecorded music, prerecorded movies, and entertainment accessories to mass-merchants, brick-and-mortar retail customers in Canada, as well as a network of online retail partners throughout North America. As a category manager, the Company manages a broad assortment of titles required to optimize sales in retail stores and provides direct-to-store shipments, marketing of selections, in-store merchandising and product exchange.

- § **Mission.** The mission of Langara Entertainment is to become the preeminent provider of entertainment media products to mass-merchant retailers, entertainment retail outlets and online retailers both in Canada, and throughout North America.
- § **Management Team.** Proven executives with more than 73 years of combined experience in the entertainment distribution and merchandising industry, including senior-level positions with Saturn Distribution, and A&A Records.
- § **Key Selling Points.** Aside from the market leader, whom accounts for roughly 75% of all music sales, the distribution of entertainment merchandise in Canada is highly fragmented. Therefore, there is currently an excellent opportunity to consolidate the market and build the leading entertainment media distribution firm in Canada. With such a degree of fragmentation within this market, and specifically within Canada, there are tremendous opportunities to improve efficiencies through consolidation.

As category manager and distributor of products for the home entertainment marketplace, Langara manages the selection, acquisition, delivery, display and return of merchandise for the Company’s network of mass-merchant, brick-and-mortar, and online retail customers. The Company’s clients comprise the top national and regional entertainment retailers including Radio Shack, Mark’s Work Warehouse, Sound Surround Electronics, Medi-Plus Drug Marts, Short Stop Foods, Centennial Foods, Walden Distribution, and VHQ Entertainment.

II) Service Lines

Through our different service lines, Langara Entertainment is able to use its in-depth knowledge of the entertainment category, building upon the management team’s more than 73 years of operational experience within the entertainment retail industry, to maximize the sales growth of our clients, by providing their customers with the best possible shopping experience. Our service lines are comprised of the following:

- § **eCommerce Functionality.** Langara Entertainment has leveraged its highly automated distribution infrastructure and combined it with state-of-the art consumer direct fulfillment capabilities. With this combination, Langara Entertainment enables its customers to economically and efficiently address their 'consumer shipping' and warehousing needs. Langara's state of the art b2b commerce platform ensures that orders are filled quickly and accurately. Within our b2b commerce platform, we provide Electronic-Data-Interface (EDI) capabilities, which track the various progression stages, from transit to delivery confirmation. Our product Database of over 303,000 sku's is updated twice daily to ensure timeliness, availability, and accuracy.

- § **Full Service Retail.** As a category manager and distributor of pre-recorded music and home entertainment products, Langara Entertainment manages the selection, acquisition, pricing, delivery, display, and return of product for its client network. Langara Entertainment distributes throughout vast geographic regions and adapts selections to local tastes via a coordination of national and regional purchasing responsibilities, both of which are monitored by stringent inventory management systems. The Company's Cross-Docking capabilities provide an efficient distribution system, which includes the ability to ship multiple products, customize billing, and invoicing, thereby allowing the retailer to leverage Langara Entertainment's embedded infrastructure and economies of scale.
- § **One Stop.** Langara Entertainment's One Stop b2b commerce platform is easy to use and access. The One Stop offering is a simple fulfillment solution for receiving timely product and inventory information, both of which are accessible via the touch of a button.

III) Marketing & Sales

The Company has developed a solid network of key customers, which it has segmented into mass-merchant retailers, brick-and-mortar retailers, and online retailers. Our key customers include the following:

CUSTOMER MATRIX			
Retailer	Classification	Location	Stores
Canadian Video Store Chain	Brick and Mortar	Western Canada	54
Canadian Retail Chain	Brick and Mortar	Throughout Canada	288
Canadian Mini Mart Chain	Brick and Mortar	Western Canada	42
Canadian Drug Store Chain	Brick and Mortar	Western Canada	22
Canadian Western Wear Chain	Brick and Mortar	Local	22
Electronics Store Chain	Brick and Mortar	Western Canada	5
Radio Shack	Brick and Mortar	Western Canada	1
US Dot Com	Online Retailer	USA	n/a
US Dot Com	Online Retailer	USA	n/a
US Dot Com	Online Retailer	USA	n/a
EntertainMe.com	Online Retailer	USA	n/a
Cobraside	Online Retailer	USA	n/a

Langara Entertainment seeks to develop key strategic alliances and sponsorships with each of its customers, which not only encompass becoming the preferred provider of home entertainment products, but also to assist with certain logistical functions such as merchandising and sourcing, fulfillment and billing.

III) Competition

Within the competitive landscape, Langara Entertainment competes with large competitors such as Handleman, and numerous smaller competitors. Langara Entertainment believes that the following companies consist of its primary competition:

COMPETITIVE MATRIX			
Competitor	Key Accounts	Est. Annual Revenues	Est. Market Share
Handleman	Mass Merchants: Walmart, Zellers	\$ 200,000,000	75%
ROW**	Export to Asia & South America	\$ 70,000,000	7%
Total Sound	Internal Retail Stores: Mom and Pop	\$ 25,000,000	11%
Downtown Discount	Internal Retail Stores: Mom and Pop	\$ 15,000,000	3%
Walden Distribution	Mom and Pop/Rural Markets	\$ 3,000,000	2%
Valley Music	Mom and Pop/Rural Markets	\$ 2,000,000	1%
Century Sound	Mom and Pop/Rural Markets	\$ 2,000,000	1%

**** Denotes Majority of Business Conducted Through Export**

IV) Corporate

Ownership Structure. Langara Entertainment, Inc. is a wholly-owned subsidiary Langara Group, Inc., which is a subsidiary of Wilmington Rexford, Inc. a publicly traded US Company.

The Langara Entertainment executive team consists of forward-thinking entertainment distribution and merchandising experts who bring formidable experience to bear on the successful integration of leading-edge technologies, time sensitive information, and the realities of constantly changing market conditions within the entertainment and distribution industries. It is anticipated that other officers and key employees will be appointed to fill certain positions. The following table sets forth certain information regarding each of the executive officers, and key employees of the Company:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Dave Wagner	52	President
Bob Duszynski	37	Executive Vice President

Dave Wagner | President

Mr. Dave Wagner serves as the President of Langara Entertainment. Prior to Mr. Wagner's appointment as President, he held the position of Chief Operating Officer of the company operations since 1999. While at Langara Entertainment, Mr. Wagner was responsible for managing the inventory, warehouse operations and development of the company's proprietary B2B inventory systems. Prior to his duties at Langara Entertainment, Mr. Wagner served as operations manager for Saturn Distribution a \$30 Million dollar revenue company and director of operations for A&A Records; this was a \$130 Million company. Mr. Wagner has over three decades of experience in various music and video distribution management.

Langara Entertainment is structured to ensure a combination of strategic long-term vision and sound day-to-day management. The Company's Board of Directors and senior management team bring many years of successful business experience to the Company. The Company's leadership has proven experience in the Company's entertainment, direct selling, and retail distribution businesses, yet also focused on the future opportunities of emerging markets.

Bob Duszynski | Vice President

Mr. Duszynski has been the Vice President of Langara Entertainment, Inc. since October, 2002. Prior to his appointment to the position of Executive Vice President of Langara Entertainment, Mr. Duszynski was the Vice President of Operations from April, 2000, to October, 2002. Prior to his appointment at Langara Entertainment, Mr. Duszynski was the Manager of Operations and Purchasing for Diz Investments, Ltd., a music retail chain in Alberta, Calgary from 1984 to 2000. In his capacity as the Vice President of Operations at Langara Entertainment, Mr. Duszynski was responsible for growing the size, loyalty and profitability of the customer base, focusing on relationship marketing, customer experience and market intelligence. Mr. Duszynski is a founding member of Langara Entertainment, Inc. During his operational tenure at Langara Entertainment and at Diz Investments, Ltd., Mr. Duszynski's responsibilities encompassed various areas of product selection and procurement, merchandising, fulfillment, marketing, sales, and management operations.

V) Facilities

Langara Entertainment is incorporated in the province of Alberta, with principal offices in Calgary, Alberta, Canada. The Corporate Headquarters is located at 5919 – 3rd Street S.E. Calgary, Alberta T2H 1K3. Our telephone number is (403) 235-1010. Web site is www.LangaraGroup.com

Currently, Langara Entertainment has a combined 4,600 square-foot headquarters which houses the office space, technology space, and warehouse space for the Company. The existing warehouse is 2,600 square-feet, which includes two loading docks, of which one is utilized at full capacity. Merchandise inventory is carried in static-bin locations with varying capacities up to 25/title CD and 8/title DVD. Current inventory is heavily weighted, approximately 90% to CD. Daily video requirements are received and shipped same day or, at the latest, next day. At this time, the warehouse has two full-time employees who handle 90% of all distribution duties based on current volume, with the assistance of office staff, when required. Office staff includes 2 sales people, 1 sales support, 1 accountant, 1 data administrator, and 1 buyer who is responsible for product sourcing and selection, and 1 Chief Operating Officer who oversees logistics and operations for the Company.

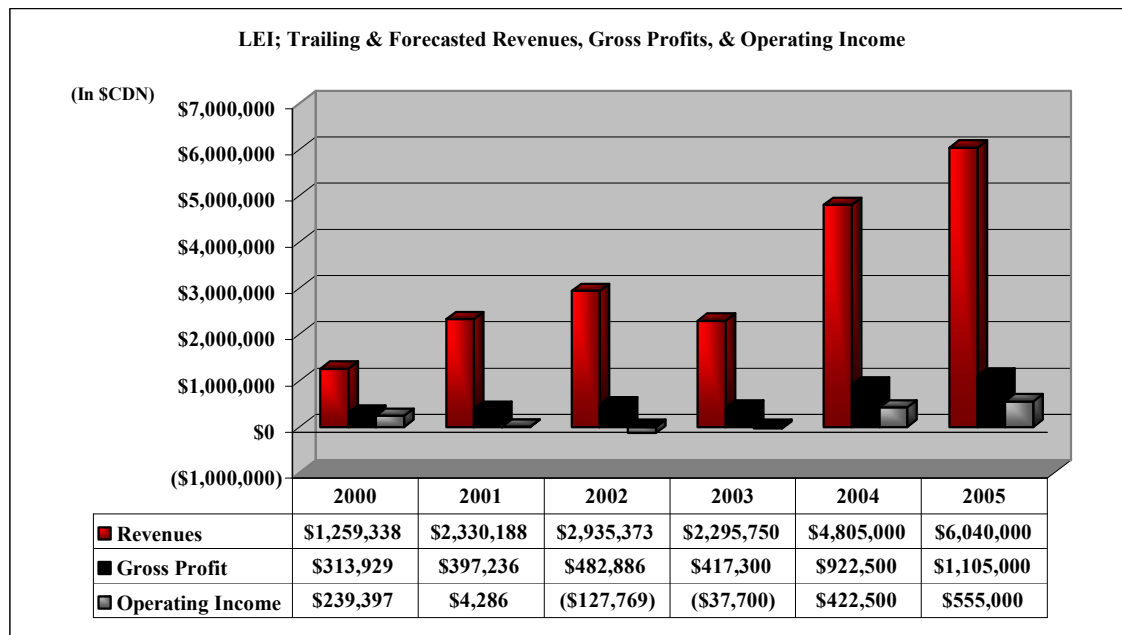
VI) Vendors

Langara Entertainment provides sophisticated, efficient distribution and category management of home entertainment merchandise to U.S. and Canadian mass-merchant, brick-and-mortar, and online retailers, and we represent a major portion of the music industry in Canada, as it exists today. Currently, Langara Entertainment has key vendor relationships with some of the most well known and popular music and entertainment merchandise manufacturers, including:

VENDOR MATRIX				
Retailer	Classification	Location	Terms	
Warner Music Canada	Music	Toronto	COD	
EMI Music Canada	Music	Toronto	60 Days	
Sony Music Canada	Music	Toronto	60 Days	
Universal Music Canada	Music	Toronto	60 Days	
BMG MusicCanada	Music	Toronto	60 Days	
Koch Entertainment	Music/DVD	Toronto	30 Days	
Case Logic	Accessories	Toronto	30 Days	
Select Distribution	Music / Movies	Montreal	30 Days	
Distribution Fusion	Music	Montreal	30 Days	
Festival Records	Music	Vancouver	30 Days	
Naxos	Music	Toronto	30 Days	
Trend Music	Music	Toronto	30 Days	
Outside Distribution	Music	Toronto	30 Days	
Madacy	Music / Movies	Winnipeg	30 Days	
Sonic Unyon	Music	Toronto	30 Days	
Maxell Canada	Accessories	Toronto	30 Days	
NMR Distribution	Posters	Toronto	30 Days	
Sony Audio Canada	Accessories	Toronto	30 Days	
Omega Electronics.	Accessories	Toronto	30 Days	
Video One Canada	Movies / DVD	Toronto/Calgary	14 Days	

VII) Financial

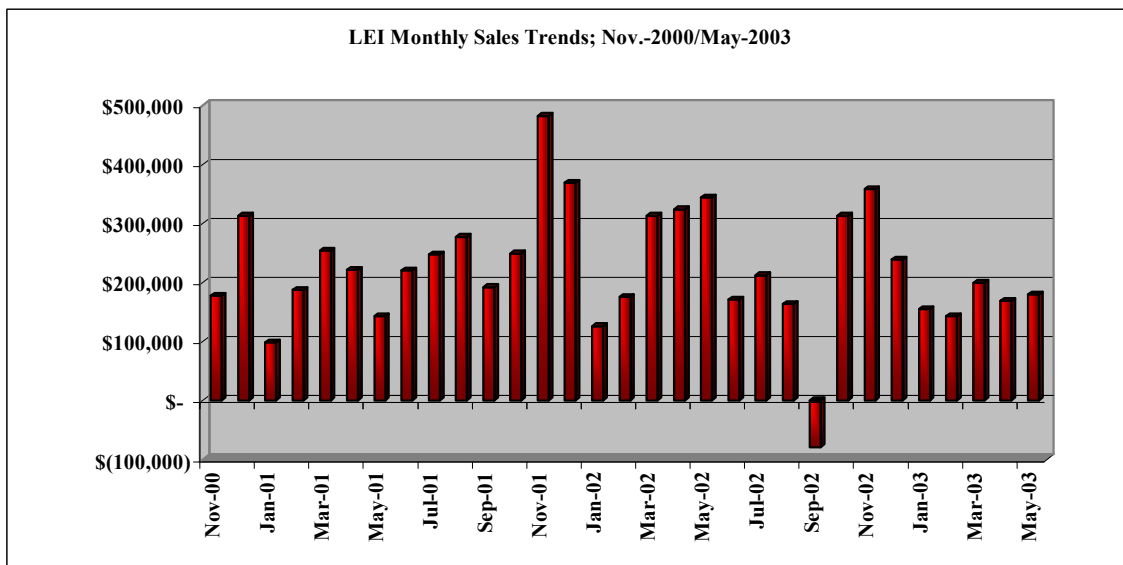
For the fiscal year ended September 30, 2001, ('fiscal 2001'), revenues increased 85% to \$ 2.3 million, from \$ 1.26 million for the fiscal year ended September 30, 2000 ("fiscal 2000"). In fiscal year ended September 30, 2002 ("fiscal 2002") revenues increased 26% to \$2.93 million. Since the inception of the Company, Langara Entertainment has displayed consistent and positive growth trends, notwithstanding the cyclical patterns of the holiday ordering season. Financial projections for years 2003 to 2005 are forward looking projections.



(In \$CDN)	SUMMARY FINANCIAL DATA					
	Actual			Projected		
	2000	2001	2002	2003	2004	2005
Revenues						
Music	\$1,086,999	\$1,824,694	\$1,977,524	\$1,595,000	\$3,217,500	\$3,360,000
DVD	\$696	\$175,754	\$642,628	\$531,000	\$1,250,000	\$2,250,000
Ent. Accessories	\$171,644	\$329,740	\$315,221	\$169,750	\$337,500	\$430,000
Total Revenues	\$1,259,338	\$2,330,188	\$2,935,373	\$2,295,750	\$4,805,000	\$6,040,000
COGS						
Music	\$836,630	\$1,539,550	\$1,594,571	\$1,265,000	\$2,531,250	\$2,640,000
DVD	\$663	\$168,140	\$595,141	\$484,650	\$1,100,000	\$2,000,000
Ent. Accessories	\$108,116	\$225,262	\$262,775	\$128,800	\$251,250	\$295,000
Total COGS	\$945,410	\$1,932,952	\$2,452,487	\$1,878,450	\$3,882,500	\$4,935,000
Gross Profit	\$313,929	\$397,236	\$482,886	\$417,300	\$922,500	\$1,105,000
Gross Margin	25%	17%	16%	18%	19%	18%
Total Expenses	\$74,532	\$392,950	\$610,655	\$455,000	\$500,000	\$550,000
Operating Income	\$239,397	\$4,286	(\$127,769)	(\$37,700)	\$422,500	\$555,000
Operating Margin	19%	0%	-4%	-2%	9%	9%

Since fiscal 2000, Langara Entertainment has grown its revenues at a compound-annual-growth rate of 53%. The increased annual growth rate in our net sales is reflective of several factors, including the increased sales from the Company's entertainment and fulfillment operations, the rapid market penetration of DVD, which carry a higher gross margin and the ancillary category management services associated with the Company's core offerings.

The decrease in operating margin from fiscal 2000, in subsequent years fiscal 2001 and 2002, was primarily due to the completion of the Company's b2b software platform, which was completed in the 2002 period, and expensed, in the 2001, and 2002 periods, as well as the addition of significant infrastructure, which increased operating expenses from \$74,532 in 2000, to \$392,950 in 2001, and \$610,655 in 2002, respectively. The company's investment in its infrastructure in 2001 and 2002 should yield significant earnings leverage, as the investments were expensed in the applicable 2001 and 2002 periods.



In the first quarter of fiscal 2003, Langara Entertainment continued to sustain its position as an emerging leader within the home entertainment industry. During the first three months of fiscal 2003, Langara Entertainment has shown steady and consistent trends in its revenue, gross profit and net income categories. The growth plan for Langara Entertainment outlines a roadmap for increasing sales in its core home entertainment distribution business on a global basis while capitalizing on opportunities that present themselves within the efficiencies realized by e-commerce, interactivity, and through the addition of a greater sales and marketing infrastructure, which was put in place in the fourth quarter of 2002, and finalized in the first quarter of 2003. Management is confident that these initiatives will fuel growth in both sales and earnings and allow the Company to leverage its expertise and resources across new category markets.