U.S. Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-QSB

(Mark One)
[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended December 31, 1999

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act

For the transition period from _____________ to _______________

Commission File Number 0-24217

YP.NET, INC.
(Exact name of small business issuer as specified in its charter)

Nevada	85-0206668
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

4840 East Jasmine St. Suite 105
Mesa, Arizona 85205
(Address of principal executive offices)

(480) 654-9646
(Issuer's telephone number)

Check whether the issuer (1) 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 ______ No X _______

The number of shares of the issuer's common equity outstanding as of September 30, 2000 was 41,450,798 shares of common stock, par value $.001.

Transitional Small Business Disclosure Format (check one):

Yes ______ No X _______

YP.NET, INC.
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FOR THE QUARTER ENDED DECEMBER 31, 1999

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

YP.NET, INC.
CONSOLIDATED COMPARATIVE BALANCE SHEETS
AS OF DECEMBER 31, 1999 (UNAUDITED) AND SEPTEMBER 30, 1999
(UNAUDITED)

ASSETS

	DECEMBER 31, 1999		SEPTEMBER 30, 1999	
<S>	<C>		<C>	
CURRENT ASSETS:				
Cash and Cash Equivalents	$ 164,570		$ 255,323	
Trade Accounts Receivable	1,522,129		951,177	
Prepaid Expenses	157,755		138,400	
Other Assets	-		77,182	
Direct Response Marketing - Net	441,075		633,900	
Deferred income taxes	91,172		91,172	
TOTAL CURRENT ASSETS		2,376,701		2,147,154
PROPERTY AND EQUIPMENT:				
Furniture and Fixtures	152,261		-	
Equipment & Computer Equipment	206,209		552,731	
Leasehold Improvements	317,507		-	
LESS: Accumulated Depreciation and Amortization	(150,802)		(116,833)	
TOTAL PROPERTY AND EQUIPMENT		525,174		435,898
OTHER ASSETS:				
Intangible Assets	5,010,000		5,010,000	
Deposits	13,287		13,287	
LESS: Accumulated Amortization	(279,166)		(159,166)	
TOTAL OTHER ASSETS		4,744,121		4,864,121
TOTAL ASSETS		7,645,997		7,447,173

LIABILITIES

CURRENT LIABILITIES:				
Trade Accounts Payable	38,842		55,000	
Income Taxes Payable	331,292		260,427	
Accrued Expenses	564,926		772,120	
Finova Line of Credit - NOTE 1	1,570,304			
Short-Term Notes Payable - NOTE 2	1,500,000		4,808,865	
TOTAL CURRENT LIABILITIES	4,005,364		5,896,412	
LONG-TERM LIABILITIES:				
Long-Term Note Payable - NOTE 3	2,000,000		7,241	
Deferred income taxes	70,865		70,865	
TOTAL LONG-TERM LIABILITIES		2,070,865		78,106

TOTAL LIABILITIES		6,076,229		5,974,518
STOCKHOLDERS' EQUITY				
Common Stock, $.001 par value, 50,000,000 shares; 40,050,748 and 39,156,853 issued and outstanding for December 31, 1999 and September 30,1999	40,051		39,157	
Additional Paid In Capital	5,629,322		4,892,538	
Treasury Stock	(69,822)		(69,822)	
Preferred Stock - Class B, $.001 par value, 2,500,000 shares designated, 1,500,000 and 1,700,000 issued and outstanding for December 31, 1999 and September 31, 1999.	1,500		1,700	
Retained Deficit	(4,031,283)		(3,390,918)	
TOTAL STOCKHOLDERS' EQUITY		1,569,768		1,472,655
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$ 7,645,997		$ 7,447,173

</TABLE>

See the accompanying notes to these unaudited financial statements

YP.NET, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THREE MONTHS ENDED DECEMBER 31, 1999
(UNAUDITED)

	FISCAL QUARTER 1999 1ST QUARTER
INCOME	
Revenue	$ 2,297,480
COST OF SALES	1,075,485
GROSS PROFIT	1,221,995
SELLING EXPENSES	19,798
GENERAL AND ADMINISTRATIVE	1,534,859
DEPRECIATION AND AMORTIZATION	155,248
TOTAL EXPENSES	1,709,905
LOSS FROM OPERATIONS	(487,910)
OTHER INCOME (EXPENSE)	
Other Income	22,043
Interest Income/(Expense)	(171,648)
TOTAL OTHER INCOME	(149,605)
NET LOSS BEFORE INCOME TAXES	(637,515)
Provisions for Income Taxes	-
NET LOSS	$ (637,515)
EARNINGS PER SHARE:	
BASIC LOSS PER SHARE	$ (0.02)
WEIGHTED AVERAGE NUMBER OF COMMON	40,050,748

SHARES OUTSTANDING	
DILUTED LOSS PER SHARE	$ (0.02)
WEIGHTED AVERAGE NUMBER OF COMMON	40,050,748
AND COMMON SHARE EQUIVALENTS OUTSTANDING	

See the accompanying notes to these unaudited financial statements

<TABLE>
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YP.NET, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THREE MONTHS ENDED DECEMBER 31, 1999
(UNAUDITED)

<S>	1999 1ST QUARTER <C>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Loss	$(637,515)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH USED BY OPERATING ACTIVITIES.	
Depreciation and amortization	35,248
Consultants paid with common stock	737,478
Loss on disposal of assets	-
Amortization of intellectual property	120,000
(Increase) decrease in assets	
Trade accounts receivable	(570,952)
Customer acquistion costs	192,825
Other recievables	77,182
Prepaid and other current assets	(116,231)
Other assets	34,449
Increase (decrease) in liabilities	
Trade accounts payable	16,158
Accrued liabilities	(126,004)
Deferred revenue	(81,190)
NET CASH USED IN OPERATING ACTIVITIES	(318,551)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of intellectural property	-
Purchases of property and equipment	(153,245)
NET CASH USED BY INVESTING ACTIVITIES	(153,245)
CASH FLOWS FROM FINANCING ACTIVITIES	
Advances from line of credit	831,708
Principal repayments on notes payable	(450,665)
Advances to shareholder	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	381,043
NET DECREASE IN CASH	(90,753)
CASH AT BEGINNING OF PERIOD	255,323
CASH AT END OF PERIOD	$ 164,570
SUPPLEMENTAL CASH FLOW INFORMATION	
Interest paid	37,301

</TABLE>

See the accompanying notes to these unaudited financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 1999

1. Basis of Presentation

The accompanying unaudited financial statements represent the consolidated financial position of YP.Net, Inc. ("Company") as of December 31, 1999 and include results of operations of the Company and Telco Billing, Inc. ("Telco"), its wholly owned subsidiary, and cash flows for the three months ended December 31, 1999. These statements have been prepared in accordance with generally accepted accounting principles for interim financial information and the instructions for Form 10-QSB. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles ("GAAP") for complete financial statements. In the opinion of management, all adjustments to these unaudited financial statements necessary for a fair presentation of the results for the interim period presented have been made. The results for the three month period ended December 31, 1999 may not necessarily be indicative of the results for the entire fiscal year. These financial statements should be read in conjunction with the Company's Form 10-KSB for the year ended September 30, 1999, including specifically the financial statements and notes to such financial statements contained therein.

2. Summary of Significant Accounting Policies

The accounting policies followed by the Company, and the methods of applying those policies, which affect the determination of its financial position, results of operations or cash flows are summarized below:

Cash and Cash Equivalents
- ----------------------------

Cash and cash equivalents include all short-term liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less. At times cash deposits may exceed government insured limits.

Principles of Consolidation
- -----------------------------

The consolidated financial statements include the Company and its wholly owned subsidiary, Telco Billing, Inc. All intercompany accounts in consolidation have been eliminated.

Revenue Recognition
- --------------------

The Company's revenue is generated by customer subscription of directory and advertising services. Revenue is recognized monthly for services subscribed in that specific month. The Company utilizes outside billing companies to transmit billing data that is forwarded to Local Exchange Carriers ("LECs"). Monthly subscription fees are included on the telephone bills of the LEC customers. The Company recognizes revenue based on net billings accepted by the LECs.

Fair Value of Financial Instruments
- --------------------------------------

The carrying amounts for cash, investments in marketable securities, trade accounts receivable, trade accounts payable, accrued liabilities and notes payable, approximate their fair value due to the short maturity of these instruments. The Company has determined that the recorded amounts approximate fair value.

Net Loss Per Share
- ---------------------

Net loss per share is calculated using the weighted average number of shares of common stock outstanding during the year. The Company has adopted the provisions of Statement of Financial Accounting Standards No. 128, Earnings Per Share.

Use of Estimates
- ------------------

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions.

This may affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Stock-Based Compensation

Statements of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation ("SFAS 123"), established accounting and disclosure requirements using a fair-value based method of accounting for stock-based employee compensation. In accordance with SFAS 123, the Company has elected to continue accounting for stock based compensation using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25.

3. Business Combination

On June 16, 1999, the Company exchanged 17,000,000 shares of common stock for all of the common stock of Telco. Prior to the acquisition, the Company had not yet commenced material operations. For financial accounting purposes, the acquisition was accounted for as a reverse merger and was treated as a recapitalization with Telco as the acquirer. The accompanying financial statements present the historical cost bases of assets and liabilities and results of operations of Telco. Subsequent to the merger, the Company ceased its previous operations and abandoned assets related to those operations. The remaining Company assets are recorded at their historical cost. The recapitalization of Telco reflects the book value of the net assets of RIGL as of the date of the merger as of June 16, 1999 of $1,722,563.

4. Intangible Asset

In connection with the Company's acquisition of Telco, the Company is required to provide payment of licensing fees for the use of the Internet domain name or Universal Resource Locator ("URL") Yellow-Page.Net. The URL is recorded at its cost net of accumulated amortization. Management believes that the Company's business is dependent on its ability to utilize this URL given the recognition of the "yellow page" term. Management believes that the current revenue and cash flow generated through the use of the URL Yellow-Page.Net substantiates the net book value of the asset. The Company will periodically analyze the net book value of this asset and determine if an impairment has incurred. The URL is amortized on an accelerated basis over the twenty-year term of the licensing agreement.

5. Notes Payable and Line of Credit

Notes payable are recorded and interest is accrued in accordance with the individual terms of each note. Notes payable at December 31, 1999 were as follows:

Note 1: The Company entered into an agreement with Finova Capital Corporation for a $3,000,000 revolving line of credit with interest payable at the prime rate plus three percent. The amount available to be drawn under the facility is limited to 80% of eligible accounts receivable. At December 31, 1999 the credit facility had an outstanding balance of $1,570,304. Assets of the Company, specifically accounts receivables, collateralize the credit facility. The credit facility expires on August 31, 2003, and the institution may withdraw the line with a notification within 90 days.

Note 2: The Company entered into a loan agreement with Mr. Joseph Van Sickle during the acquisition of Telco under which Mr. Van Sickle lent $2,000,000 to the Company. At December 31, 1999 this note payable had an outstanding balance of $1,500,000. Mr. Van Sickle is a shareholder of the Company and owns approximately one percent of the Company's outstanding stock. Mr. Van Sickle is not a member of management and currently has no position on the Board of Directors of the Company.

Note 3: The Company entered into an agreement with Matthew & Markson, Ltd., an Antigua corporation ("M&M"), in conjunction with the acquisition of Telco for the license of the URL Yellow-Page.Net. The Company agreed to pay M&M $5,000,000 for the licensing agreement of the URL Yellow-Page.Net. At December

31, 1999 the M&M note payable had an outstanding balance of $2,000,000. M&M owns approximately 18% of the Company's outstanding stock.

6. Common Stock

Transactions in the Company's common stock issued for the acquisition of assets, products or services are accounted for at 90% of fair value. Fair value is determined based on the traded closing price of the Company's common stock on the date of the transaction, or the fair value of the asset, product, or service received, whichever is more readily determinable.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Except for historical information contained herein, the following discussion contains forward-looking statements that involve risks and uncertainties. Such forward-looking statements include, but are not limited to, statements regarding future events and our plans and expectations. Our actual results could differ materially from those discussed herein. Factors that could cause or contribute to such differences include, but are not limited to, those discussed elsewhere in this Form 10-QSB or incorporated herein by reference. See "Special Note on Forward-Looking Statements" below.

OVERVIEW

We provide Internet-based yellow page listing services on our Yellow-Page.Net and yp.net Web sites. We acquired Telco Billing, Inc. in June 1999, and as a result of this acquisition changed our primary business focus to become an electronic yellow page listing service. Our Web sites serve as a search engine for yellow page listings in the United States and Canada. We charge our customers for a preferred listing of their businesses on searches conducted by consumers through our Web sites.

With the acquisition of Telco, we discontinued our prior operations in the multi-media software and medical billing and practice management areas. We completed closing down our operations in these areas in the three months ended December 31, 2000. We anticipate continued operations in our Internet yellow page listings business and in other Internet-based product areas. We have experienced continued increases in competition in the electronic yellow page market, and continue to seek joint venture and investment acquisition opportunities to potentially lessen the effects of competition in the electronic yellow page markets.

During the three months ended December 31, 1999, we utilized direct mailings as our primary marketing program. At October 1, 1999, we had 103,133 customers subscribing to our services. At December 31, 1999, we had 114,409 customers. We believe the increase in our customer base for this period was primarily a result of our marketing efforts. In March 2000, we implemented a customer contact program to attempt to increase our customer satisfaction and decrease customer attrition. We believe that this program has and will continue to provide these results.

Expenditures related to professional and consulting fees were significant in the quarter ended December 31, 1999 and have adversely affected our earnings in this period. Existing management believes that these expenditures will no longer be as significant. Management is actively pursuing rescission and cancellation of certain common and preferred stock that was previously issued for services. This action may adversely affect our future earnings due to costs of potential litigation that may result from management pursuing recession. However, if we are successful in cancelling some or all of these shares, our total outstanding shares will decrease which will positively affect our per share operating results in the future.

On December 6, 1999, prior management entered into an engagement with McGladry & Pullen, LLP ("M&P") to conduct the audit of our financial statements for the fiscal year ended September 30, 1999. M&P estimated the cost to prepare the fiscal year end audit to be from $75,000 to $150,000 with an estimated completion date of January 28, 2000. We paid audit fees of $150,000 as of December 31, 1999. Subsequently, we paid additional audit fees of $150,000. In January 2000 M&P informed management that the estimated cost to complete the audit would be an additional $200,000. In February 2000 a new Board of Directors was appointed and M&P was dismissed as our auditors. The Board of Directors appointed a new independent auditor, King, Weber & Associates, P.C.

On December 15, 1999, prior management entered into a consulting agreement with International Profits Associates, Inc. ("IPA"). IPA agreed to review our business operations, polices and procedures, to advise on determining management responsibilities and authorities, and to develop and implement a plan for achieving potential investor awareness. IPA agreed to advise and train Mr. William O'Neal on the duties and responsibilities of acting as President of YP.Net. The agreement was entered into until such time that Mr. William O'Neal was prepared to assume the position of President. We paid approximately $65,000 for these consulting services in the three month period ended December 31, 1999. Subsequently, new management and the Board of Directors has terminated all agreements with IPA.

Common stock has been issued to prior officers and consultants for services rendered. The value of those shares was determined based on the trading value of the stock at the dates on which the agreements were made for the services. The expense for that consideration is stated at 90% of the trading value of the shares to reflect a discount for the regulatory restrictions on trading of those shares. During the quarter ended December 31, 1999, 856,951 common shares were issued to officers and consultants valued at $737,478, by prior management.

YP.Net was originally incorporated in Nevada in 1996 as Renaissance Center, Inc. Renaissance Center and Nuclear Corporation merged in 1997. Our articles of incorporation were restated in July 1997 and our name was changed to Renaissance International Group, Ltd. Our name was later changed to RIGL Corporation in July, 1998. With the acquisition of Telco and shift of the focus of our business, our corporate name was again changed to YP.Net, Inc., effective October 1, 1999. The new name was chosen to reflect our focus on our Internet-based yellow page services.

The acquisition of Telco was treated as a reverse merger for financial accounting purposes. As a result, Telco was deemed to be the acquiring entity. For financial accounting purposes, Telco was considered to have engaged in a recapitalization and acquired the net assets of RIGL as of June, 1999. Financial statements of Telco for the three months ended December 31, 1998 are not included in this Form 10-QSB due to such statements not being available.

RESULTS OF OPERATIONS

With the acquisition of Telco, our business focus shifted to the Internet yellow page services business and this business is currently the sole source of revenue. All operations conducted by RIGL prior to the acquisition of Telco have been discontinued. Revenues for the quarter ended December 31, 1999 were $2,297,480. Until other sources of revenue are developed, our total revenues will be directly dependent upon the number of customers subscribing to our preferred listing service.

Cost of sales for the quarter ended December 31, 1999 was $1,075,485. Cost of sales is comprised of dilution expenses, direct mailer marketing costs, allowances for bad debt and our billing costs. Dilution expenses include customer credits and any other receivable write downs. Billing costs include fees for services provided by LECs and other outside parties to transfer and organize our customer acquisition, billing and collection data.

Selling expenses for the quarter ended December 31, 1999 were $19,798. Selling expenses were primarily the costs associated with the use of the direct mailers.

General and administrative expenses for quarter ended December 31, 1999 was $1,534,859. These costs are primarily related to customer service staffing which we believe provides better service to our customers. Our consulting expenses were $737,478. This expense was primarily a result of the issuance of common stock by prior management as consideration under several consulting contracts and is not expected to be recurring.

Interest expense net of interest income for the quarter ended December 31, 1999 was $171,648. Interest expense was a result of our debt outstanding. This debt outstanding included debt incurred in connection with the acquisition of the URL Yellow-Page.Net and due to an increase in the amount outstanding under our credit facility with Finova Capital Corporation.

Net losses for the quarter ended December 31, 1999 were $637,515 or $.02 per diluted share.

LIQUIDITY AND CAPITAL RESOURCES

Cash used by operating activities for the quarter ended December 31, 1999, was $318,551. Revenue was generated principally from providing electronic yellow page preferred listing advertising. Cash flow from operating activities was adversely affected by certain non-recurring expenses, an increase in our accounts receivable and prepaid assets and a decrease in liabilities.

Cash used by investing activities was $153,245 for the three months ended December 31, 1999. We purchased additional computer equipment of approximately $65,000 and performed tenant leasehold improvements of approximately $88,245 in the three months ended December 31, 1999.

Cash provided from financing activities was $381,043 in the quarter ended December 31, 1999. This cash inflow was attributed to advances on our credit facility of $831,708. We paid $450,665 on our notes payable on terms negotiated with the note holders. This amount represents the total payments made to reduce the outstanding balances of the our outstanding notes.

We have an existing asset-based collateralized line of credit with Finova. As a result of certain technical defaults under the terms of the loan agreement which occurred under prior management, Finova exercised its right to terminate the agreement. Our line of credit has been reduced from $3,000,000 to $1,800,000 as of August 2000. We have entered into letter agreements whereby Finova has agreed to forbear the exercise any of its available remedies through November 2, 2000. Based upon our discussions, we anticipate that these agreements will be extended or modified to allow us to transfer to a new credit facility. Management is seeking other potential lenders that specialize in financing businesses utilizing LEC billings. We do not anticipate these changes to have an adverse affect on our ability to continue operating at our current levels.

OTHER CONSIDERATIONS

There are numerous factors that affect our business and the results of its operations. Sources of these factors include general economic and business conditions, federal and state regulation of our business activities, the level of demand for our services, the level and intensity of competition in the electronic yellow page industry and the pricing pressures that may result, our ability to develop new services based on new or evolving technology and the market's acceptance of those new services, our ability to timely and effectively manage periodic product transitions, the services, customer and geographic sales mix of any particular period, and our ability to continue to improve our infrastructure (including personnel and systems) to keep pace with the growth in its overall business activities.

We are delinquent in our filings under the Securities Exchange Act of 1934 ("Exchange Act"). Our most recent filing was the September 30, 1999 Form 10-KSB. While trading of our stock has occurred during the periods before and after this filing, sales under Rule 144 are not allowed until our filings are current. It is management's intent to complete all past due filings and to cause all required filings to be timely made in the future. Management also intends to take actions to cause YP.Net's common stock to be relisted on the OTC Bulletin Board as soon as possible. It is not possible to determine the effect, if any, on the actions of current of former shareholders of bringing current the required Exchange Act filings, and the financial statements and disclosures contained therein.

We have attempted to keep the public informed through press releases and Form 8-K filings while making a concerted effort to become current with our filings. We are currently unable to determine the materiality of the affect of the delinquent filings, if any, or the potential impact any such delinquencies may have on our operations.

SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

Except for historical information contained herein, this Form 10-QSB contains express or implied forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. We intend that such forward-looking statements be subject to the safe harbors created thereby. We may make written or oral forward-looking statements from time to time in filings with the SEC, in press releases, quarterly conference calls or otherwise. The words "believes," "expects," "anticipates," "intends," "forecasts," "project," "plans," "estimates" and similar expressions identify forward-looking statements. Such statements reflect our current views with respect to future events and financial performance or operations and speak only as of the date the statements are made.

Forward-looking statements involve risks and uncertainties and readers are cautioned not to place undue reliance on forward-looking statements. Our actual results may differ materially from such statements. Factors that cause or contribute to such differences include, but are not limited to, those discussed elsewhere in this Form 10-QSB, as well as those discussed in our Form 10-KSB which are incorporated by reference in this Form 10-QSB.

Although we believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the results contemplated in such forward-looking statements will be realized. The inclusion of such forward-looking information should not be regarded as a representation that the future events, plans or expectations contemplated will be achieved. We undertake no obligation to publicly update, review or revise any forward-looking statements to reflect any change in our expectations or any change in events, conditions or circumstances on which any such statements based. Our filings with the SEC, including the Form 10-KSB, may be accessed at the SEC's Web site, www.sec.gov.
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ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF THE SECURITY HOLDERS

A majority of the shareholders consented to amend our articles of incorporation to change our corporate name to YP.Net, Inc. Shareholders holding a total of 26,395,000 shares, of the total then outstanding of 39,156,853 shares, submitted their written consents to the amendment, which was effective October 1, 1999.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The YP.Net is involved in various legal proceedings and claims as described in our Form 10-KSB for the year ended September 30, 1999. No material developments have occurred in any of these proceedings. The costs associated with these legal proceedings could be significant and could adversely affect the results of our future operations. An unfavorable result in any of these proceedings could also adversely affect our operations.

ITEM 2. CHANGES IN SECURITIES

On October 25, 1999, prior management entered into a one-year advisory agreement with BJM Consulting, Inc. ("BJM"). BJM agreed to advise in acquisitions and strategic planning and also to assist the Interim President in his duties as President until a new President was appointed. Prior management agreed to pay a retainer fee of $5,000 per month and issue 500,000 shares of common stock for those advisory services. The value of these shares was recorded as $437,500. Subsequently, new management has terminated the agreement and is making efforts to rescind the issuance of the shares of common stock to BJM. The shares were issued in reliance on the exemption from registration provided by Section 4(2) of the Securities Act.

In November 1999 the prior Board of Directors authorized 200,000 shares of Series B preferred stock to be converted to 200,000 shares of common stock for the Interim President Mr. William O'Neal. This conversion was authorized in exchange for a modification of his five-year employment agreement with YP.Net. The modification of the employment agreement changed the agreement from a five-year employment contract to an "at-will" employment agreement with no severance pay provisions. The conversion of the preferred B shares to 200,000 shares of common stock voided provisions in the original employment agreement, and was agreed to by the Board of Directors and Mr. William O'Neal. The value of these shares was recorded as $90,000. The shares were issued in reliance on the exemption from registrations provided by Section 4(2) of the Securities Act.

On December 13, 1999 prior management entered into a sublease agreement with Empire Capital Group LLC ("Empire"). Empire agreed to sublease office space in Phoenix, Arizona. Prior management had entered into a lease agreement for the office space in fiscal 1998. YP.Net never utilized the space as corporate offices, and subsequently Empire assumed the entire office space. Prior management issued 100,000 shares of common stock to Empire for the execution of the sublease agreement. The value of these shares was recorded as $124,000. The shares were issued in reliance on the exemption from registrations provided by Section 4(2) of the Securities Act.

ITEM 6: EXHIBITS AND REPORTS ON FORM 8-K

EXHIBITS

10.14 Advisory Agreement between BJM Consultants and Y.P.Net, Inc.
10.15 Authorization to Perform Business Valuation between IPA Advisory & Intermediary Services and Y.P.Net, Inc.
10.16 International Profit Associates Organization for Management
10.17 Sublease Agreement between Y.P.Net, Inc. and Empire Capital Group, LLC
27.1 Financial Data Schedule

REPORTS ON FORM 8-K

Two reports on Form 8-K were filed in the fiscal quarter ended December 31, 1999. These reports are as follows:

Form 8-K filed on October 18, 1999 announced the change in the corporation's name from RIGL Corporation, Inc, to YP.Net, Inc., the appointment of a three new Board of Directors and the resignations of the Chairman of the Board and two Board of Directors.

Form 8-K filed on December 3, 1999 disclosed the dismissal of Singer, Lewak, Greenbaum and Goldstein LLP and the appointment of McGladry & Pullen LLP as the YP.Net's new auditor.

SIGNATURES

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

YP.NET, INC.

Dated: ________________, 2000 By /s/ Angelo Tullo

Angelo Tullo, Chairman of the Board

ADVISORY AGREEMENT

THIS ADVISORY AGREEMENT (this Agreement') is made this 25th day of October, 1999 (the "Effective Date"), by and between BJM CONSULTANTS, INC., a Florida corporation ("Advisor") and YP.NET, INC., a Nevada corporation, with its offices located at 484O East Jasmine Street, Suite 105, Mesa, AZ 85205 (the "Company").

WHEREAS, Advisor and Advisors' Personnel (as defined below) have experience in evaluating and effecting mergers and acquisitions, advising corporate management, and in performing general administrative duties for publicly-held companies and development stage investment ventures; and

WHEREAS, the Company desires to retain Advisor to advise and assist the Company in its development on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency is hereby acknowledged, the Company and Advisor agree as follows:

1. Engagement. The Company hereby retains Advisor, effective as or the late hereof (the "Effective Date") and continuing until termination, as provided herein , to assist the Company in its effecting the purchase of businesses and assets relative to its business and growth strategy, resolution of outstanding debt and obligations of the Company, the introduction of the Company to brokers and dealers, public relations firms and consultants and others that may assist the Company in its plans and future development and to arrange for the purchase of outstanding warrants issued by the Client (the "Services"). The Services are to be provided on a "best efforts" basis directly and through Advisor's officers or others employed or retained and under the direction of Advisor ("Advisor's Personnel"); provided, however, that the Services shall expressly exclude all legal advise, accounting services or other services which require licenses or certification which Advisor may not have.

2. Term. This Agreement shall have an initial term of (1) year (the "Primary Term"). commencing with the Effective Date. At the conclusion of the Primary Term this Agreement will automatically be extended on an annual basis (the "Extension Period") unless Advisor or the Company shall serve written notice tot the other part: terminating the Agreement. Any notice to terminate given hereunder shall be in writing g and shall he delivered at least thirty (30) days prior to the end of the Primary Term or any subsequent Extension Period.

3. Time and Effort of Advisor. Advisor shall allocate time and Advisor's Personal as it deems necessary to provide the Services. The particular amount of time may vary front day to day or week to week. Except as otherwise agreed, Advisor's monthly statement identifying, in general,

tasks performed for the Company shall be conclusive evidence that the Services have been performed. Additionally, in the absence of willful misfeasance, bad faith, negligence or reckless disregard for the obligations or duties herein under by Advisor, neither Advisor nor Advisor's Personnel shall be liable to the Company or any of its shareholders for any act or omission in the course of or connected with rendering the Services, including but not limited to losses that may be sustained in any corporate act in any subsequent Business Opportunity (as defined herein) undertaken by the Company as a result of advice provided by Advisor or Advisor's Personnel.

4. Compensation. The Company agrees to pay Advisor an initial fee for the signing of this Agreement by way of the delivery by the Company of Five Hundred Thousand (500,000) shares of the Company's restricted common stock to the Advisor on or before January 15, 2000 at Company's option. It is

understood that this initial fee is earned upon signing this Agreement. Additionally, the Company shall pay Advisor a monthly of Five Thousand Dollars ($5,000) due and payable on the first business day of each month of the Term. Company's responsibility for payment of Advisory Fee is not contingent on the implementation of Advisor's recommendations. Consulting in these matter frequently take courses that cannot be predicted, and Advisor can give no guarantee concerning the outcome.

5. Costs and Expenses. All third party and out-of-pocket expenses incurred by Advisor in the performance of the Services shall be paid by the Company, or Advisor shall be reimbursed if paid by Advisor on behalf of the Company, within ten (10) days of receipt of written notice by Consultant, provided that the Company must approve in advance all such expenses in excess of $500 per month with the exception of travel expenses to and from Company's offices.

6. Place of Services. The Services provided by Advisor or Advisor's Personnel hereunder will be performed at Advisor's offices except as otherwise mutually agreed by Advisor and the Company.

7. Independent Contractor. Advisor and Advisor's Personnel will act as an independent contractor in the performance of its duties under this Agreement. Accordingly, Advisor will be responsible for payment of all federal, state, and local taxes on compensation paid under this Agreement, including income and social security taxes, unemployment insurance, and any other taxes due relative to Advisor's Personnel, and any and all business license fees as may be required. This Agreement neither expressly nor impliedly creates a relationship of principal and agent, or employee and employer, between Advisor's Personnel and the Company. Neither Advisor nor Advisor's Personnel are authorized to enter into any agreements on behalf of the Company. The Company expressly retains the right to approve, in its sole discretion, each Asset Opportunity or Business Opportunity introduced by Advisor, and to make all final decisions with respect to effecting a transaction on any business Opportunity.

8. Rejected Asset Opportunity or Business Opportunity. If, during the Primary Term of this Agreement or any Extension Period, the Company elects not to proceed to acquire, participate or invest in any Business Opportunity identified and/or selected by Advisor, notwithstanding the time and expense the Company may have incurred reviewing such transaction, such Business Opportunity shall revert back to and become proprietary to Advisor, and Advisor shall be entitled to acquire or broker the sale or investment in such rejected Business Opportunity for its own account, or submit such assets or Business Opportunity elsewhere. In such event, Advisor shall be entitled to any and all profits or fees resulting from advisor's purchase, referral or placement of any such rejected Business Opportunity, or the Company's subsequent purchase or financing with such Business Opportunity in circumvention of Advisor.

9. No Agency Express or Implied. This Agreement neither expressly nor impliedly creates a relationship of principal and agent between the Company and Advisor, or employee and employer as between Advisor's Personnel and the Company.

10. Termination. The Company and Advisor may terminate this Agreement prior to the expiration of the Primary Term upon thirty (30) days written notice with mutual written consent. Failing to have mutual consent, without prejudice to any other remedy to which the terminating party may be entitled, if any, either party may terminate this Agreement with thirty (30) days written notice under the following conditions:

    a. By the Company.

        i. If during the Primary Term of this Agreement or any Extension

Period, Advisor is unable to provide the Services as set forth herein for thirty (30) consecutive business days because of illness, accident, or other incapacity of Advisor's Personnel; or,

ii. If Advisor willfully breaches or neglects the duties required to be performed hereunder.

b. <u>By Advisor.</u>

i. Non-payment of fees;

ii. Failure to provide forthright information cooperation or support for Advisor's efforts;

iii. Misrepresentation of, or failure or refusal to disclose facts;

iv. Failure or refusal to accept advice.

v. If the Company ceases business or, other than in an Initial Merger, sells a controlling interest to a third party, or agrees to a consolidate on or merger of itself with or into another corporation, or enters into such a transition outside of the scope of this Agreement, or sells substantial all of its assets to another corporation, entity or individual outside of the scope of this Agreement, or,

vi. If the Company subsequent to the execution hereof has a receiver appointed for its business or assets, or otherwise becomes insolvent or unable to satisfy its obligations in the ordinary course of, including but not limited to the obligation to pay the Initial Fee, the Transaction Fee, or the Advisory Fee; or

vii. If the Company subsequent to the execution hereof institutes, makes a general assignment for the benefit of creditors, has instituted against it any bankruptcy proceeding for reorganization for rearrangement of its financial affairs, files a petition in a court of bankruptcy, or is adjudicated a bankrupt; or,

viii. If any of the disclosures made herein or subsequent hereto by the Company to consultant are determined to be materially false or misleading.

In the event Advisor elects to terminate without cause or this Agreement is terminated prior to the expiration of the Primary Term or any Extension Period by mutual written agreement, or by the Company for the reasons set forth in a lO(a)(i) and (ii) above, the Company shall only be responsible to pay Advisor for unreimbursed expenses, Advisory Fee and Transaction Fee accrued up to and including the effective date of termination. If this Agreement is terminated by the Company for any other reason, or by Advisor for reasons set forth in lO(b)(i) through (viii) above, Advisor shall be entitled to any outstanding unpaid portion of reimbursable expenses, Transaction Fee, if any, and the balance of the Advisory Fee for the remainder of the unexpired portion of the applicable term (Primary Term or Extension Period) of the Agreement.

11. <u>Indemnification.</u> Subject to the provisions herein the Company and Advisor agree to indemnify, defend and hold each other harmless from and against all demands, claims, actions, losses, damages, liabilities, costs and expenses, including without limitation, interest, penalties and attorneys' fees and expenses asserted against or imposed or incurred by either party by reason of or resulting from any action or a breach of an representation, warranty, covenant, condition, or agreement of the other party to this Agreement.

12. <u>Remedies.</u> Advisor and the Company acknowledge that in the event of a breach of this Agreement by either party, money damages would be inadequate

and the non-breaching party would have no adequate remedy at law. Accordingly, in the event of any controversy concerning the rights or obligations under this Agreement, such rights or obligations shall

be enforceable in a court of equity by a decree of specific perforce. Such remedy, however, shall be cumulative and nonexclusive and shall be in addition to any other remedy to which the parties may be entitled.

13. Miscellaneous.

a. Subsequent Events. Advisor and the Company each agree to notify the other party if, subsequent to the date of this Agreement, either party incurs obligations which could compromise its efforts and obligations under this Agreement.

b Amendment. This Agreement may be amended or modified at any time and in any manner only by an instrument in writing executed by the parties hereto.

c. Further Actions and Assurances. At any time and from time to time, each party agrees, at its or their expense, to take actions and to execute and deliver documents as may be reasonably necessary to effectuate the purposes of this Agreement.

d Waiver. Any failure of any party to this Agreement to comply with any of its obligations, agreements, or conditions hereunder may be waived it writing by the party to whom such compliance is owed. The failure of any party to this Agreement to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision or a waiver of the right of such party thereafter to enforce each and every such provision. No waiver of any breach of or noncompliance with this Agreement shall be held to be a waiver of any other or subsequent breach or noncompliance.

e. Assignment. Neither this Agreement nor any right created by it shall be assignable by either party without the prior written consent of the other.

f. Notices. Any notice or other communication required or permitted by this Agreement must be in writing and shall be deemed to be properly given when delivered in person to an officer of the other party, when deposited in the United States mails for transmittal by certified or registered mail, postage prepaid, or when deposited with a public telegraph company for transmittal, or when sent by facsimile transmission charges prepared, provided that the communication if addressed

i. In the case of the Company:

YP.Net, Inc.
4840 East Jasmine Street. Suite 105
Mesa, Arizona 85205
Telephone: (480) 654-9646
Telefax: (480) 654-9727

Attention: William O'Neal, Sr. Vice President/Genera Counsel

ii. In the case of Advisor

BJM Consultants, Inc.
2283 S. Lake Reedy Blvd.
Frostproof, Florida 33843

Telephone: (941) 635-1872
Telefax: (941) 635-7601
Attention: George Minutaglio

or to such other person or address designated in writing by the Company or Advisor to receive notice.

g Headings. The section and subsection headings in this Agreement are inserted the convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

h. Governing Law. This Agreement was negotiated and is being interacted for in Arizona, and shall be governed by the laws of the State of Arizona, and the United States of America, notwithstanding any conflict-of-law provision to the contrary.

i. Binding Effect. This Agreement shall be binding upon the parties hereto and inure to the benefit of the parties, their respective heirs, administrators, executors successors, and assigns.

j. Entire Agreement. This Agreement contains the entire agreement between the parties hereto and supersedes any and all prior agreements, arrangements or understandings between the parties relating to the subject matter of this Agreement. No oral understandings, statements, promises, or inducements contrary to the terms of this Agreement exist. No representations, warranties, covenants, or conditions, express or implied, other than as set forth herein, have been made by any party.

k. Severability. If any part of this Agreement is deemed to be unenforceable the balance of the Agreement shall remain in full force and effect.

l. Counterparts. A facsimile, telecopy, or other reproduction of this agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, by one or more parties hereto and such executed copy may be delivered by facsimile or similar instantaneous electronic transmission device pursuant to which the signature of or on behalf of such party can be seen. In this event, such execution and delivery shall be considered valid, binding and corrective for all purposes. At the request of any party hereto,

all parties agree to execute an original of this Agreement as well as any facsimile, telecopy or other reproduction hereof.

m. Time is of the Essence. Time is of the essence of this Agreement and of each and every provision hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date above-written.

COMPANY:	ADVISOR:
YP.NET, INC., a Nevada corporation	BJM CONSULTANTS, INC., a Florida corporation
By: /s/ William D. O'Neal	By: /s/ George Minutaglio
Name: William D. O'Neal	Name: George Minutaglio
Title: President	Title: Vice President

AUTHORIZATION TO PERFORM BUSINESS VALUATION

THIS AGREEMENT ("Agreement") is entered into between IPA Advisory & Intermediary Services, 1250 Barclay Blvd., Buffalo Grove, Illinois, an Illinois corporation ("Advisor"), and YP.Net, Inc., a Nevada corporation ("Client").

Advisor will perform a Valuation of client business; prepare and deliver to Client a Valuation Report. The non-exclusive services of Advisor shall include, but not be limited to, taking any and all steps necessary to:

- Analyze and evaluate the worth of client business;
- Recast the business' financial statements, where necessary and appropriate, to accurately reflect existing business conditions;
- Develop forecasts and pro forma financial statements for future years; and
- Where possible, recommend changes to Client's accounting system, operating systems, procedures and policies where, in Advisor's professional judgment, the implementation of such changes would increase the value and enhance the salability of client business.

Advisor will deliver the Valuation Report within 60 days subsequent to receipt from Client of the past three years Financial Statements, and such other information as is deemed necessary by Advisor, or from the on-site visit (whichever occurs last).

The services provided hereunder shall not include accounting, legal, asset appraisal, development and implementation of systems, procedures, or pricing recommendations, business brokerage services, or estate and financial planning services. If it is determined that any of these services are required, Client may obtain such services under separate agreement with affiliates of Advisor, or such other independent advisors as Client determines appropriate.

Advisor shall receive a professional services fee of US $ 37,500 .

This fee is payable upon execution of this authorization.

Advisor shall not make public or disclose to anyone outside of Advisor's organization, affiliated companies, or independent sources, without express authorization of Client, any information concerning Client's identity, customers, markets, products, financial history or current financial circumstances.

Please initial each item below indicating your understanding:

X No estimate of value (or indicated minimum value) for the business has been provided, nor will be provided prior to the presentation of the Valuation Report.

X No assurance or guarantee was given that the business would be sold, or financing obtained, by virtue of the Valuation services herein contemplated.

X No assurance or guarantee was given that Advisor has a specified buyer for Client.

It is understood that Advisor is an independent valuation company and will Present an unbiased Valuation utilizing the following:

- Market research
- Historical accounting & operating information
- Market conditions
- Economic conditions
- Competitor analysis
- Information provided by Client
- Application of professional standards for business valuation

Nothing in this Agreement shall be construed to constitute a partnership between, or joint venture by, the parties hereto, or constitute either party as the agent or employee of the other.

Client shall indemnify Advisor and each of its affiliates, officers, employees and agents against any loss resulting from any claim or legal proceeding whatsoever, asserted or brought by third parties, relating to the performance of any services of Advisor under this Agreement.

THIS IS NOT AN AGREEMENT TO UNDERTAKE THE SALE OF CLIENT BUSINESS AND ADVISOR MAKES NO REPRESENTATIONS, EXPRESS OR IMPLIED, THAT THE BUSINESS WILL BE SOLD BY VIRTUE OF THE SERVICES CONTEMPLATED TO BE RENDERED UNDER THIS AGREEMENT.

It is expressly agreed that this printed document embodies the entire agreement of the parties in relation to the subject of Business Valuation Services to be rendered by Advisor; no other understanding or agreement, verbal or otherwise, exists between the parties, except as herein expressly set forth. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and expressly agreed to by the parties.

It is agreed that exclusive jurisdiction shall vest in the Nineteenth Judicial District of Lake County, Illinois, Illinois law applying.

Client: YP.Net, Inc.	Advisor: IPA Advisory & Intermediary Services, Inc.
By: /s/ William O'Neal	
Print Name: William O'Neal	By:
Title: President	Title:
Date: 12/8/99	Date:

IPA Advisory & Intermediary Services - 1250 Barclay Blvd., Buffalo Grove, Illinois 60089 - (888) 472-0808 - Fax: (847) 808-5599

INTERNATIONAL PROFIT ASSOCIATES, INC.
1250 Barclay Boulevard, Buffalo Grove, Illinois 60089

Management Consultants
1-800-531-7100 - Fax # 847-808-5594

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Address	4840 E. Jasmine St. #105	Telephone	(480) 654-9646 x234
City	Mesa	State	AZ
Fax	(480) 654-9727		
Zip Code	85205	County	Maricopa
Date	12/8/99		

We engage you to analyze the items below and appraise their effect on our volume and profit.

1. Sales and Marketing
2. Operations
3. Administration
4. Material Costs
5. Labor Costs
6. Overhead
7. Productivity
8. Overtime
9. Material Flow
10. Cash Flow
11. Any Other Unique Concerns

It is agreed that you will discuss:

A. The improvements possible.
B. Estimated net benefits to us of making necessary improvements.
C. The fee for your services to install the improvements.

You are authorized, and we agree, to make a comprehensive study of our company beginning December 9, 1999 for which we agree to pay International Profit Associates twelve hundred dollars. This represents your full fee for this analysis. The fee will be payable upon satisfactory completion of the analysis. All information obtained by I.P.A. during the course of the analysis shall be held in strictest confidence.

Accepted:

International Profit Associates	Yours very truly,
/s/ Douglas A. McCle	Y.P.Net, Inc.
By	Company name
Senior Executive	/s/ William O'Neal
Title	Authorized by
	President
No.	Title

Employees Estimated Annual Volume
23 $15,000,000

PROFIT ENGINEERING

INTERNATIONAL PROFIT ASSOCIATES

IPA INC.

500

Client: YP.NET
4840 EAST JASMINE STREET.
MESA, AZ 8505

Project Number 839762-SG
Project Plan #1
December 15, 1999

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1.0 Organization for Management

Action 1.1 Review the business operations, polices and procedures of YP.NET to include, but not limited to: 1) organizational structure and internal communications, 2) employee attitudes, productivity and incentives, 3) determining management responsibilities and authorities of key individuals, to include "marketing", "sales management/sales", "customer retention", "technical management", "accounting/administrative", and "total company" management, with emphasis on existing key individuals and any vacant positions, 4) developing and implementing a plan to develop potential investor awareness of YP.NET and 5) developing a perception of value in the common stock.

Benefit 1.1 The IPA consultants do not have preconceived notions of how any company should "look" or "act," but instead custom develop each consulting assignment to meet the specific needs of the individual client and client company.

Action 1.2 Provide Bill O'Neal with a "Goals and Objectives" questionnaire designed to elicit responses regarding company size and profitability as well as determining YP.NET's needs in the areas of facilities, equipment and personnel. Use the information received for organizational and budget development.

Benefit 1.2 Too often company owners/managers are so involved in day-to-day decision making -- "fire fighting" that they forget that the company which survives and prospers is the company that plans for the next few years as well as merely surviving. The questionnaires are designed for Bill to complete and discuss later with the IPA consultants.

Action 1.3 Provide Bill and other key employees with questionnaires designed to determine the range of activities performed by the various individuals in the company. Conduct interviews with key employees on an "as needed" basis.

Benefit 1.3 Each company has a list of activities which must be accomplished in order for the company to function effectively. The questionnaires and interviews are designed to provide input to the IPA consultants as to what activities are unique to YP.NET. This is done in preparation to writing Job Descriptions and the development of a profit-based and productivity-oriented Commission/Incentive Plan(s).

IPA Initial RDQ YP.Net Initial: -----

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Action 1.4 After review of the understood Organization Chart and with input from Bill develop a management oriented Organization Chart showing YP.NET's departments and the lines of authority. Include in the Organization Chart's boxes, only the Job Functions or Job Titles.

Benefit 1.4 An Organization Chart is valuable to businesses of all sizes. It provides a visual representation of the company. At this point in the development of a more formalized organization structure for YP.NET, it is important for all employees to understand where they fit into the company and their relationship to Bill and to other employees. Only the Job Functions or

Titles are included at this point because the IPA consultants do not write Job Descriptions for individuals, but instead we write Job Descriptions directed at the needs of the company.

Action 1.5 After reviewing "understood" Job Descriptions (oral or written, including the "understood" division of responsibilities between the key employees), the IPA consultants will write Job Descriptions (approximately 8) for key Job Functions, including "vacant" positions, i.e. "CFO"?, "Sales and Marketing Manager". Each Job Description will contain Authorities, Responsibilities, Reporting Relationships, Duties and Measures of Performance.

Benefit 1.5 Each key Job Function (including Bill's new responsibilities) and the individuals assigned to them will now know: 1) what decisions they can and cannot make, 2) the overriding purpose for their function to exist at YP.NET, 3) who they supervise and who they report to, 4) their portion of that "list" of key activities developed earlier in the program and 5) how each individual, including Bill will objectively know if an individual is doing a "good job".

Action 1.6 Provide Bill with oral evaluations of key employees, including himself.

Benefit 1.6 Gives Bill a third party opinion as to whether or not current employees are capable and have the commitment to assist him to achieve his goal of company profitability, growth and corporate direction. Also, how do we maximize Bill's utilization.

Action 1.7 With input from Bill assign existing individuals to the various Job Functions. The IPA consultants will install the Job Descriptions with the Various YP.NET employees.

Benefit 1.7 In this step of the organizational development, employees' new relationship to the company is explained to them. The goal is to delegate through the Job Descriptions, as many as possible of the non-essential responsibilities which Bill has assumed over time for outside sales.

Action 1.8 Review the present employee evaluation system. Make recommendations for change "as needed" and implement approved changes. Provide Bill with the ability to self-evaluate his contribution.

Benefit 1.8 Employee evaluations are part of the training and development of employees; they must not be presented in a negative manner. This provides Bill with the means of telling good employees why they are good, but also what areas they can improve; mediocre employees can be told what they need to do to become good employees, and poor employees can be told what they need to do to keep their jobs.

Action 1.9 After reviewing any present incentive plans, develop and present to Bill alternative options for incentive plans for "office" personnel. Develop and write an incentive plan(s) designed to achieve Bill's YP.NET goals.

Benefit 1.9 Incentive plans should not cost a company money. Instead, they should be paid out of incremental income. Incremental income is that income which is in excess of those profits which an owner and his managers can normally expect. The purpose of the incentive plan is to reward those employees whose individual efforts have contributed to the level of success of the company.

Action 1.10 Review the present personnel holding key positions, determine who is and who is not planning to stay with YP.NET through year 2000: Bill/President, Joann Sales, Pam/CFO, etc. After identifying who does and who does not meet criteria for the "new" YP.NET assist Bill to fill vacant positions.

Benefit 1.10 There has been considerable turmoil at YP.NET; it looks as if with Simple.net this may continue. Personnel need to determine who is and who is not planning to stay with YP.NET. PA will write the Job Descriptions and assist in the selection process.

IPA Initial RDQ   YP.Net Initial
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Action 1.11 Review the "true" role of a Board of Directors and YP.NET's present status. Make recommendations for a Board structure which will provide a "positive" image of the company to outside investors.

Benefit 1.11 The legal role of a Board is to represent the interests of the stock holders in company management. The present membership and composition in all likelihood does not present the best possible image of the company.

Action 1.12 Review the present marketing and sales directions as well as The potential need for additional marketing and sales efforts -- i.e. customers, site traffic, add-on services

Benefit 1.12 Marketing is the development of the revenue goals of a company, by product, product line, specific customer, type of customers, geographic location, etc. Sales is execution of the marketing plan. The IPA consultant will assist Bill to develop a three year sales and marketing outline for the company complete with goals, due dates, and individual/departmental assignments, i.e. customer retention.

Action 1.13 Review the present Chart of Accounts. As needed make recommendations for additions, changes, and/or deletions.

Benefit 1.13 The Chart of Accounts is the driving force behind any accounting system --either manual or computerized. The IPA review will be designed to ensure that the YP.NET accounting system will be capable of measuring those items which need to be measured and controlled by Bill.

Action 1.14 Review development of any of YP.NET's existing or future regular reports which have an emphasis on sources of revenue, margins, and selling and administrative costs as well as operational guideposts. Determine what Bill and the Board need to receive in order to more effectively manage company profitability. Train Bill to make management decisions based upon generated information.

Benefit 1.14 Ensure that Bill and the Board of Directors are getting timely, accurate and useful financial/operational reports by which departmental and company wide costs and profitability can be measured and managed.

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Action 1.15 With an emphasis on revenues, margins and overhead costs develop Operational Budgets -- departmental and company-wide. Utilize the budgets to develop performance standards. This will determine projected revenues, margins, expenses and profit for fiscal 2000. Establish the normal or average breakdown per month and illustrate these as they compare to both positive and negative trends in business levels.

Benefit 1.15 Budgeting and/or forecasting based on varying levels of sales volume with their predetermined expenses will give Bill, the Board and any managers with a "financial-need-to-know" a measurement of performance for the company on a month-to-month basis.

Action 1.16 With considerable input from Bill develop variance-to-budget monthly reporting to compare actual operating results to projected budget results.

Benefit 1.16 The variance reporting is designed to show various managers with responsibilities for either operating and/or overhead expenses whether or not they have managed their profit centers within profit projections.

Action 1.17 Train Bill how to calculate and utilize the breakeven in pricing.

Benefit 1.17 The breakeven has many uses for clients in a "high growth" mode. Besides providing the company with sales goals, it also provides an understanding of the profit impact from an increases/decrease in pricing.

Action 1.18 How does YP.NET market itself to the public? Review with Bill the approach and impact of past and present public relations firms. Determine with him the goals and deliverables of the investor-public relations firm who will represent YP.NET. Discuss the advisability of retaining IPA's in house public relations firm, IPA Investor & Media Services, LLC.

Benefit 1.18 Even the best run public company needs to keep its name in front of investors, institutions and market makers. Whoever represents the company must have a strategic plan constantly promoting the intrinsic value of the company.

IPA Initial RDQ YP.Net Initial

Action 1.19 Develop Operating Procedures and Recommendations explaining the use of the newly developed methods, systems, records, reports and statements. Put all documentation into an indexed manual and distribute to Bill as well as other appropriate employees.

Benefit 1.19 Gives the consultants the means to train and implement the installed program with Bill and other employees. Provides a permanent reference instrument of all work performed on the project.

The above plan will be completely developed and implemented within 425 hours +/- 10%.

This is the Project Plan described in the "Agreement for Consulting Services" Between YP.NET, Inc. and International Profit Associates.

During the course of the project, you may also be presented with suggestions and/or Recommendations concerning other areas of your business which need attention, but Are not addressed in this Project Plan. These will not be developed, however, Without the full approval of William D. O'Neal and separate and apart from this plan.

Submitted: Approval and accepted:

By: /s/ Robert D. Quackenbush
Robert D. Quackenbush
Senior Project Manager

By: /s/ William D. O'Neal
William D. O'Neal
President

SUBLEASE AGREEMENT

1. PARTIES.

This Sublease Agreement ("Sublease") is made, entered into and deemed to be effective this 13 day of December, 1999, by and between YP.NET, INC. (aka RIGL Corporation), a Nevada corporation ("Sublessor") and EMPIRE CAPITAL GROUP, L.L.C., an Arizona limited liability corporation ("Sublessee").

2. MASTER LEASE.

Sublessor is the Sublessee under a written Sublease Agreement dated February 10, 1998 when Meyers Law Firm, P.C., an Arizona professional corporation ("Meyers") sub-leased to Sublessor the real property located in the City of Phoenix, County of Maricopa, State of Arizona, described as Suite 900, 2398 East Camelback Road ("Master Premises"). Meyers is the lessee under a written Lease dated September 18, 1995, wherein Biltmore Financial Center Associates, an Arizona general partnership ("Lessor") leased to Meyers the Master Premises. The Lease is referred to herein as the "Master Lease" and is attached hereto as Exhibit "A" and by this reference made a part hereof.

3. PREMISES.

Sublessor hereby subleases to Sublessee the Master Premises as described in the Lease. The Sublessee accepts the Master Premises and agrees to be bound by, accept and perform each term and condition under the Master Lease which are required to be performed by the Sublessor.

4. WARRANTY BY SUBLESSOR

Sublessor warrants and represents to Sublessee that the Master Lease has not been amended or modified except as expressly set forth herein, that Sublessor is not now and as of the commencement of the Term hereof will not be, in default or breach of any of the provisions of the Master Lease, and that Sublessor has no knowledge of any claim by Lessor that Sublessor is in default or breach of any of the provisions of the Master Lease.

5. TERM.

The Term of this Sublease shall commence on January 1, 2000 ("Commencement Date"), and shall terminate on the last day provided for in the Master Lease, August 30, 2002 ("Termination Date"). The Sublessee understands and acknowledges that Meyers and the Lessor must consent to this Sublease. The Sublessor shall submit this Sublease to Meyers and the Lessor for their consent, and will advise the Sublessee in writing when Meyers and the Lessor consent to this Sublease. If for any reason the Sublessor does not deliver possession to the Sublessee on the Commencement Date, the Sublessor shall not be subject to any liability for such failure, the Termination Date shall not be extended by the delay, and the validity of the Sublease shall not be impaired, but rent shall abate until delivery of possession. Notwithstanding the foregoing, if the

Sublessor has not delivered possession to Sublessee within thirty (30) days after the Commencement Date, then at any time thereafter and before delivery of possession, Sublessee may give written notice to Sublessor of Sublessee's intention to cancel this Sublease. Said notice shall set forth an effective date for such cancellation which shall be at least ten (10) days after delivery of said notice to Sublessor. If Sublessor delivers possession to Sublessee on or before such effective date, this Sublease shall remain in full force and effect. If Sublessor fails to deliver possession to Sublessee on or before such effective date, this Sublease shall be canceled, in which case all consideration previously paid by Sublessee to Sublessor on account of this Sublease shall be returned to Sublessee, this Sublease shall thereafter be of no further force or effect, and Sublessor shall have no liability to Sublessee on account of such delay or cancellation. If Sublessor permits Sublessee to take possession prior to the Commencement Date, such early possession shall not advance the Termination Date and shall be subject to the provisions of this Sublease, including, without limitation, the payment of rent.

6. RENT.

Minimum Rent. Sublessee shall pay to Sublessor minimum rent, without deduction, setoff, notice, or demand, at YP.Net, Inc., 4840 E. Jasmine, Suite 105, Mesa, Arizona 85205, or at such other place as Sublessor shall designate from time to time by notice to Sublessee, the minimum monthly rent plus any taxes due thereon as provided for in this Master Lease, Article 1.1(h) pro rata, plus the Sublessor's pro rata share of the Operating Costs, as provided for in the Master Lease together with any other taxes, late charges or other costs which are required to be paid by the Sublessor pursuant to the Master Lease.

7. SECURITY DEPOSIT.

Sublessee shall not be required to deposit a security deposit. The security deposit currently held by Meyers, and deposited by Sublessor, is hereby assigned to Sublessee as additional consideration for this Sublease.

8. USE OF MASTER PREMISES.

The Master Premises shall be used and occupied only for business office purposes and for no other use or purpose.

9. ASSIGNMENT OF SUBLETTING.

Sublessee shall not assign this Sublease or sublet all or any part of the Master Premises without the prior written consent of Sublessor (and the consent of Lessor, if such is required under the terms of the Master Lease).

10. OTHER PROVISIONS OF SUBLEASE.

All applicable terms and conditions of the Master Lease, Exhibit "A", are incorporated into and made a part of this Sublease as if Sublessor were the lessor thereunder, and Sublessee the lessee thereunder, and the Master Premises.

11. ATTORNEYS' FEES.

If Sublessor, or Sublessee shall commence an action against the other arising out of or in connection with this Sublease, the prevailing party shall be entitled to recover its costs of suit and reasonable attorneys' fees.

12. AGENCY DISCLOSURE.

Sublessor and Sublessee each warrant that they have dealt with no real estate broker in connection with this Sublease.

13. NOTICES.

All notices and demands which may or are to be required or permitted to be given by either party on the other hereunder shall be in writing. All notices and demands by the Sublessor or Sublessee shall be sent by United States Mail, postage prepaid, addressed to the Sublessee at the address herein below, or to such other place as Sublessee may from time to time designate in a notice to the Sublessor. All notices and demands by the Sublessee to Sublessor shall be sent by United States Mail, postage prepaid, addressed to the Sublessor at the address set forth herein, and to such other person or place as the Sublessor may from time to time designate in a notice to the Sublessee.

To Sublessor: YP.Net, Inc.
4840 E. Jasmine, Suite 105
Mesa, Arizona 85205
Attn: William D. O'Neal, Esq.

To Sublessee: Empire Capital Group, L.L.C.
2398 E. Camelback Road, Suite 900
Phoenix, Arizona 85020
Attn: Scott Tomanaga

14. CONSENT BY LESSOR

This Sublease shall be on no force or effect unless consented to by Lessor within thirty (30) days after execution hereof, if such consent is required under the terms of the Master Lease.

15. COMPLIANCE.

The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment in Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

16. FIRST REFUSAL.

Sublessee shall have a right of first refusal on the balance of the Master Premises upon the same terms as set forth herein. Such right of first refusal must be exercised within ten (10) days of receipt of written notice by Sublessee that Sublessor has received an offer to sublease the balance of the Master Premises.

DATED: 12/13 , 1999.

SUBLESSOR:

YP.Net, (fka RIGL Corporation), a Nevada corporation

By: /s/ William O'Neal, President
William O'Neal, President

SUBLESSEE:

Empire Capital Group, L.L.C., an Arizona limited liability corporation

By: ______________________

Its: ______________________

EXHIBIT "A"

Master Lease

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