

U.S. SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended: June 30, 1998

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT

For the transition period from to

Commission file number 0-24217

RIGL CORPORATION

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

Nevada

85-0206668

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(State or other jurisdiction  
of incorporation)

(IRS Employer  
Identification No.)

7501 North 16th Street, Suite 200, Phoenix, Arizona

85020

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(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (602) 906-1924

N/A

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(Former name of former address, if changed since last report.)

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 12,273,842 as of July 22, 1998.

Transitional Small Business Disclosure Format (check one): YES  NO

RIGL CORPORATION  
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RIGL CORPORATION  
CONSOLIDATED BALANCE SHEETS  
(A Development Stage Company)

	June 30, 1998	September 30, 1997
ASSETS	(Unaudited)	
Current assets:		
Cash and cash equivalents	\$ 2,021,399	841,702
Accounts receivable	1,050	-
Other receivables	6,058	5,342
Prepaid expenses	2,753	-
Total current assets	<u>2,031,260</u>	<u>847,044</u>
Property and equipment	184,115	87,510
Less accumulated depreciation	(47,595)	(15,814)
Net property and equipment	<u>136,520</u>	<u>71,696</u>
Other assets:		
Organization costs	1,560	1,560
Shareholder loans	68,000	105,841
Other interest bearing loans	40,000	70,000
Proprietary technology	598,875	13,000
Technology rights	-	10,000
Deposits	60,706	790
Less accumulated amortization	(546)	(812)
Net other assets	<u>768,595</u>	<u>200,379</u>
Total assets	<u>\$ 2,936,375</u>	<u>\$ 1,119,119</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:			
Accounts payable	\$	72,373	\$ 4,708
Accrued payroll expense		12,000	22,715
Due to shareholders		62,460	5,103
		146,833	32,526
Total current liabilities		146,833	32,526
Due to shareholders		100,000	-
		246,833	32,526
Total liabilities		246,833	32,526
Commitments and contingencies			
Stockholders' equity:			
Preferred stock; \$.001 par value; authorized 15,000,000 shares, Series A, 3,000,000 authorized:			
Shares subscribed; 638,400 at September 30, 1997			638
Shares issues and outstanding; 2,361,600 at September 30, 1997			2,362
Series A.1, 2,000,000 authorized:			
Shares subscribed; 1,761,360 at June 30, 1998		1,761	
Additional paid-in-capital		1,759,599	2,934,500
Subscriptions receivable		(1,761,360)	(638,400)
		-	2,299,100
Total preferred stock		-	2,299,100
Common stock; \$.001 par value; authorized 50,000,000 shares; issued and outstanding: 12,953,134 and 12,273,842 shares at June 30, 1998, respectively, and 6,537,530 shares at September 30, 1997, respectively			
		12,274	6,537
Additional paid-in-capital		5,479,209	365,005
Subscriptions receivable		-	(800)
		5,491,483	370,742
Total common stock		5,491,483	370,742
Treasury stock, at cost, 679,292 shares		(69,822)	-
Accumulated deficit		(2,732,119)	(1,583,249)
		2,689,542	1,086,593
Total stockholders' equity		2,689,542	1,086,593
Total liabilities and stockholders' equity	\$	2,936,375	\$ 1,119,119

See accompanying notes to these consolidated financial statements.

RIGL CORPORATION  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(A Development Stage Company)  
(unaudited)

Nine Months Ended		Three Months Ended	
June 30, 1998	June 30, 1997	June 30, 1998	June 30, 1997

Revenue:				
Corporate revenue	\$ 70,644	\$ 35,450	\$ 34,888	\$ 450
Royalty income	264	870	-	323
Stock transfer fees	2,212	-	225	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total revenue	73,120	36,320	35,113	773
Direct expense	-	387	-	196
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Gross profit	73,120	35,933	35,113	577
General & administrative expenses	1,231,175	900,849	464,012	346,414
Depreciation & amortization expense	51,515	7,336	20,565	4,106
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net operating income (loss)	(1,209,570)	(872,252)	(449,464)	(349,943)
Interest (income)	(62,416)	(7,573)	(22,297)	(4,232)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Income before taxes	\$ (1,147,154)	\$ (864,679)	\$ (427,167)	\$ (345,711)
Provision for income taxes	1,716	-	1,716	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net income (loss)	\$ (1,148,870)	\$ (864,679)	\$ (428,883)	\$ (345,711)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Basic EPS	\$ (0.10)	\$ (0.14)	\$ (0.03)	\$ (0.06)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Diluted EPS	\$ (0.10)	\$ (0.14)	\$ (0.03)	\$ (0.06)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

See accompanying notes to these consolidated financial statements.

RIGL CORPORATION  
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS  
(A Development Stage Company)  
(unaudited)

Nine Months Ended

	<u>June 30,</u> 1998	<u>June 30,</u> 1997
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Net cash provided by (used in) operating activities	\$ (1,403,373)	\$ (966,256)
	<u>          </u>	<u>          </u>
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES:		
Capital expenditures	(115,454)	(59,202)
Expenditures to acquire intangible assets	(10,000)	(1,560)
Expenditures to acquire/ develop technology rights	(170,011)	-
	<u>          </u>	<u>          </u>
Net cash provided by		

(used in) investing activities	(295,465)	(60,762)
	<hr/>	<hr/>
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	1,495	2,670
Proceeds from issuance of preferred stock	2,877,040	1,455,500
	<hr/>	<hr/>
Net cash provided by (used in) financing activities	2,878,535	1,458,170
	<hr/>	<hr/>
Net increase in cash and cash equivalents	1,179,697	431,152
	<hr/>	<hr/>
Cash and cash equivalents at beginning of period	841,702	9,345
	<hr/>	<hr/>
Cash and cash equivalents at end of period	\$ 2,021,399	\$ 440,497
	<hr/>	<hr/>
	<hr/>	<hr/>

See accompanying notes to these consolidated financial statements.

RIGL CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(A Development Stage Company)

NOTE 1 ORGANIZATION AND NATURE OF BUSINESS

a. Organization of business

The Company was incorporated as Nuclear Corporation of New Mexico (NCNM) in December 1968 for the purpose of mineral, oil and gas exploration. \$300,000 was initially raised for exploration activities and NCNM remained active in this business until 1974. Since 1974, NCNM has been substantially inactive, receiving only residual income from over-riding royalty interest in oil and gas leases.

In April, 1994 NCNM moved its domicile from the state of New Mexico to Nevada. From that period until its combination with Renaissance Center, Inc. (RenCen) NCNM remained substantially inactive.

The management of RenCen instituted a 1 for 2 reverse split of its common stock held by management prior to the combination with NCNM. Subsequently, RenCen decreased the number of authorized shares of common stock, par value \$.001, from 50 million to 25 million shares. In addition, the number of shares issued and outstanding were reduced on the basis of 1 for 2 with any scrip shares created as a result of the reverse rounded up to the next whole share. No reduction or alterations were made to the preferred shares of RenCen.

This business combination was accounted for as a pooling of interest. The name of the merged companies was changed to Renaissance International Group, Ltd (the Company) on July 2, 1997. On June 22, 1998, the shareholders approved a change of the Company name to RIGL Corporation.

Subsequent to the reverse split and prior to the combination with NCNM, the outstanding common shares of RenCen were 5,025,980 shares and were distributed as follows:

Shares issued for

proprietary technology	3,632,916
Shares issued for cash	1,010,814
Shares issued for services	382,250
	<hr/>
Total shares issued	5,025,980
	<hr/>

b. Nature of business

The Company, through its subsidiary RenCen, owns a proprietary technology developed by an officer of the Company for the integration of equipment and components in high-tech digital multimedia studios.

Management has recognized that recent developments in data storage devices and optical transmission capabilities have greatly increased the capability to transfer, store and retrieve data. Hierarchical communication languages can be used to develop software applications which will make real-time access of this information a reality as well as adding artificial intelligence to core operating systems.

These recent developments, combined with the Company's own state-of-the-art proprietary technology have enabled it to look at alternative applications. Management believes that the health services industry may provide this alternative. This industry, though technically advanced in equipment, relies upon outdated record keeping and retrieval methods. The Company is actively pursuing acquisitions in the medical industry. Initially it has targeted physician groups, outpatient surgical centers, skilled nursing facilities and medical specialty organizations. It is management's intention to continue to examine all industries for possible applications of its proprietary technology as well as looking for opportunities to acquire other synergistic technologies.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All material intercompany transactions and balances have been eliminated in consolidation.

b. Accounting Method

The Company recognizes income and expenses based upon the accrual method of accounting. No allowances have been made for doubtful accounts.

c. Unaudited Information and Basis of Presentation

The consolidated balance sheet as of June 30, 1998 and statements of operations and condensed cash flows for all periods included in the accompanying financial statements have not been audited. In the opinion of management these financial statements include all normal and recurring adjustments necessary for a fair presentation of such financial information. The results of operations for the interim periods are not necessarily indicative of the results of operations to be expected for the full year.

The financial information included herein has been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such rules and regulations. The interim financial information and the notes thereto should be read in conjunction with the audited financial statements for the fiscal years ended September 30, 1997, September 30, 1996 and September 30, 1995 which are included in the Company's 1997 Annual Report to Stockholders.

d. Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the useful lives of the assets as follows:

Furniture and equipment	5-7 years
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## e. Income Taxes

The Company, a C Corporation, accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109 (Accounting for Income Taxes).

As of September 30, 1997, the Company has approximately \$1,580,000 of net operating loss carry forwards which can be used to offset future taxable income.

## f. Management's Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

## g. Recent Accounting Pronouncements

In February 1997, SFAS No. 128, "Earnings per Share" ("SFAS 128") was issued. Under SFAS 128, primary earnings per share is replaced by basic earnings per share and fully diluted earnings per share is replaced by diluted earnings per share.

In June 1997, SFAS No. 130, "Reporting Comprehensive Income" ("SFAS 130") was issued. SFAS 130 establishes standards for the reporting of comprehensive income and its components in a full set of general-purpose financial statements for periods beginning after December 15, 1997. Reclassification of financial statements for earlier periods for comparative purposes is required.

In June 1997, SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("SFAS 131") was issued. SFAS 131 revises information regarding the reporting of operating segments. It also establishes standards for related disclosures about products and services, geographic areas and major customers.

The Company adopted SFAS 128 in the first quarter of fiscal 1998 and SFAS 130 and SFAS 131 in fiscal 1999 and does not expect such adoptions to have a material effect on the consolidated financial statements and footnotes.

## NOTE 3 - OTHER ASSETS

Other assets consist of organization cost, shareholder loans, interest bearing loans to third parties, proprietary technology rights and deposits.

The loans to shareholders and interest bearing loans to third parties all bear interest at rates substantially above Arizona bank depository rates.

The investment in proprietary technology mainly relates to the acquisition of the worldwide exclusive rights to the MEDASYS medical software system. The Company acquired the software technology in exchange for 255,864 shares of its common stock and \$65,000 in cash. Management believes that the acquisition of the MEDASYS technology will shorten the time to market of the Company's own internally developed system as well as save significant development resources.

The Company optioned the right to patented Optical Collision Avoidance System (O-CAS) from its inventor for \$20,000. These technology rights were written off in the quarter ended December 31, 1997 as these rights were no longer considered to have value to the Company.

## NOTE 4 SHAREHOLDERS' EQUITY

During the nine months ended June 30, 1998, the Company completed the following stock transactions from its authorized but unissued capital shares:

Payments in the amount of \$2,877,040 were received on the Series A and A.1 preferred stock subscriptions and \$1,495 received on common stock

subscriptions. Costs and expenses relating to the sales of these shares totaled \$337,758. The preferred shares carry a conversion to common on a one for one basis and 5,238,640 were converted during the nine months ended June 30, 1998.

The Company issued 25,000 shares in exchange for services rendered.

During the year ended September 30, 1997, the Company completed the following stock transactions from its authorized but not unissued capital shares:

Payments in the amount of \$2,266,600 were received in Series A preferred stock subscriptions and \$2,760 received on common stock subscriptions. Costs and expenses relating to the sale of these shares totaled \$62,500 of which \$60,000 was converted into common shares, during the quarter ended December 31, 1997, at the request of the selling agents.

The Company issued 217,250 common shares for services rendered.

Effective October 22, 1997 warrants were issued to existing stockholders to acquire 2,598,170 preferred shares at a price of \$2.00 per share and 750,000 common shares at a price of \$2.30 per share. The warrants expire on October 30, 1999. The Company granted certain of its executive officers and other individuals options to purchase shares of the Company's common stock. At June 30, 1998 options to purchase 1,112,074 shares of common stock were outstanding.

#### NOTE 5 - EARNINGS PER SHARE

In February 1997 the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share," which is effective for financial statements for both interim and annual periods ending after December 15, 1997. The new standard eliminates primary and fully dilutive earnings per share and requires presentation of basic and diluted earnings per share with disclosures of the methods used to compute the per share amounts.

Basic earnings per share excludes dilution and is computed by dividing income available to common shareholders by the weighted-average common shares outstanding for the period. Diluted earnings per share reflects the weighted-average common shares outstanding plus the potential effect of securities or contracts which are convertible to common shares such as options, warrants, and convertible debt and preferred stock. The adoption of this standard is not expected to have a material impact on earnings per share of the Company. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from exercise of stock options rather than the higher of the average or ending stock price as used in the computation of fully diluted EPS.

The following is a reconciliation between the components of the basic and diluted net income (loss) per share calculations for the periods presented below:

	Nine Months Ended:					
	June 30, 1998			June 30, 1997		
	Income	Shares	Per Share Amount	Income	Shares	Per Share Amount
Basic income (loss) per share						
Net income (loss)	\$ (1,148,870)	11,078,339	\$ (0.10)	\$ (864,679)	6,013,280	\$ (0.14)
Effect of dilutive securities						
Stock options/warrants		60,628				



Diluted net income (loss) per share						
Net income (loss) plus assumed exercises and conversions	\$ (1,148,870)	11,138,967	\$ (0.10)	\$ (864,679)	6,013,280	\$ (0.14)

	Three Months Ended:					
	June 30, 1998			June 30, 1997		
	Income	Shares	Per Share Amount	Income	Shares	Per Share Amount
Basic income (loss) per share						
Net income (loss)	\$ (428,883)	12,669,675	\$ (0.03)	\$ (345,711)	6,013,280	\$ (0.06)
Effect of dilutive securities						
Stock options/warrants		60,628				
Diluted net income (loss) per share						
Net income (loss) plus assumed exercises and conversions	\$ (428,883)	12,730,303	\$ (0.03)	\$ (345,711)	6,013,280	\$ (0.06)

## Item 2

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

#### FINANCIAL POSITION AND LIQUIDITY

The Company's current ratio was 13.8 to 1 at June 30, 1998. Cash and cash equivalents increased \$1,179,697 to \$2,021,399 at June 30, 1998 from \$841,702 at September 30, 1997. The increase in cash and cash equivalents was primarily due to payments received on preferred stock subscriptions offset by cash used in operations.

The Company has successfully raised capital financing during the nine months ended June 30, 1998, and the year ended September 30, 1997. Additional capital will be required for the Company to fully expand its operations into all of the markets. The amount of the additional capital that may be required is dependent upon, among other things, the expansion of existing financial resources, and the availability of other financing on favorable terms and

future operating results. Therefore, the Company's ultimate success may depend upon its ability to raise additional capital or debt financing. There can be no assurance that additional capital can be raised or obtained as needed or that the Company can ultimately fulfill its business objectives.

The Company believes that it has adequate cash on hand to satisfy its working capital requirements in fiscal 1998. The Company does not anticipate paying dividends on its Common Stock in the foreseeable future.

Certain matters contained herein are forward looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward looking statements. Assumptions relating to these forward looking statements involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond control of the Company.

#### RESULTS OF OPERATIONS

**Total Revenue.** Total revenue increased \$34,340 to \$35,113 during the three months ended June 30, 1998 as compared to the \$773 in the same period of fiscal 1997. On a year-to-date basis total revenue increased \$36,800 to \$73,120 compared to \$36,320 in the previous year. These increases are due to the additional consulting services provided by Renaissance Center, Ltd. (RenCen), a wholly owned subsidiary of the Company. RenCen owns a proprietary technology developed by a Company officer for the integration of equipment and components in high-tech digital multimedia studios.

Management has recognized that recent developments in data storage and optical transmission capabilities have greatly increased the capability to transfer, store and retrieve data. Hierarchical communication languages can be used to develop software applications which will make real-time access of this information a reality as well as adding artificial intelligence to core operating systems.

These recent developments, combined with the Company's own state of the art proprietary technology have enabled it to look at alternative applications. Management believes that the health services industry may provide this alternative. This industry, though technically advanced in equipment, relies upon out-dated record keeping and retrieval methods. The Company is actively pursuing acquisitions and affiliations in the medical industry. Initially it has targeted physician groups, outpatient surgical centers, skilled nursing facilities and medical specialty organizations. It is management's intention to continue to examine all industries for possible applications of its proprietary technology as well as looking for opportunities to acquire other synergistic technologies.

Management believes that initial contracts in the near future will begin to generate revenues from the hardware integration and data management consulting segments of the business.

**General & Administrative Expenses.** General & administrative expenses increased \$117,598 to \$464,012 during the three months ended June 30, 1998 as compared to the \$346,414 in the same period of fiscal 1997. On a year-to-date basis general & administrative expenses increased \$330,325 to \$1,231,175 compared to \$900,849 in the previous year. The increases in general & administrative expenses relate to several key components to the future success of the Company. First are the expenses incurred associated with research and development costs related to the Company's proprietary technology. Additional costs are due to increased sales and marketing efforts related to the Company's proprietary technology. Finally, general & administrative expenses increased due to the costs incurred in securing key management personnel for both the corporate management and development programs.

The Company had thirteen employees at June 30, 1998 compared to six at September 30, 1997. These employees were dedicated to the development of the AMIRE system and the enrollment and operation of physician practices. Management anticipates additional employees will be hired as the Company progresses through the development stage of the AMIRE system and enrolls physician practices.

**Depreciation & amortization expense.** Depreciation & amortization expense

creased \$16,459 to \$20,565 during the three months ended June 30, 1998 as compared to the \$4,106 in the same period of fiscal 1997. On a year-to-date basis depreciation & amortization expenses increased \$44,179 to \$51,515 compared to \$7,336 in the previous year. The increase in depreciation is due to the addition of approximately \$100,000 in property and equipment during 1998. Management anticipates additional property and equipment will be required as the Company progresses through the development stage of the AMIRE system. The increase in amortization was due to \$20,000 of technology rights written off, as these rights were no longer considered to have any value to the Company.

Interest Income. Interest income increased \$18,065 to \$22,297 during the three months ended June 30, 1998 as compared to the \$4,232 in the same period of fiscal 1997. On a year-to-date basis interest income increased \$54,843 to \$62,416 compared to \$7,573 in the previous year. The increase is due to the cash received on preferred stock subscriptions during the current year which has given the Company a higher cash balance to invest in interest earning accounts. These cash balances will be utilized in the future on the development of the AMIRE system, therefore interest income could decrease in future periods.

Income taxes. The provision for income taxes relates to minimum tax requirements in various states that the Company does business. The Company has approximately \$1,580,000 of net operating loss carry forwards which can be used to offset future taxable income.

Net income (loss) and weighted average shares. Net loss for the three months ended was \$428,883 (or \$0.03 per share) compared to net loss of \$345,711 (or \$0.06 per share) for the prior year third quarter. Net loss for the nine months ended was \$1,148,870 (or \$0.10 per share) compared to net loss of \$864,679 (or \$0.14 per share) for the same period of the prior year.

The weighted average number of shares outstanding for the nine month period ended June 30, 1998 and June 30, 1997 were 11,078,339 and 6,013,280, respectively. The weighted average number of shares outstanding for the three month period ended June 30, 1998 and June 30, 1997 were 12,669,675 and 6,013,280, respectively.

#### RIGL CORPORATION

#### PART II

Item 1      Legal Proceedings  
            None

Item 2      Changes in Securities and Use of Proceeds

(a)      On June 22, 1998 the shareholders approved a change in RIGL Corporation's charter to increase the authorized shares of common stock from 25,000,000 to 50,000,000.

(b)      Not applicable

(c)      Not applicable

Item 3      Defaults Upon Senior Securities  
            None

Item 4      Submission of Matters to a Vote of Security Holders

(a)      The 1997 Annual Meeting of Stockholders of RIGL Corporation was held on June 22, 1998

(b)      Not required

(c)      The following matters were voted upon and approved at the meeting:

- (i)      Ratification of the prior acts of the Board of Directors since the last meeting of stockholders of the Company
- (ii)     The re-election of the Board of Directors to serve until

the fiscal 1998 Annual Meeting of Stockholders; nominees were Tennessee Webb, Harold Roberts, William O'Neal, Walter Vogel and Kevin L. Jones

- (iii) The adoption of the 1998 Stock Option Plan
- (iv) The appointment of Singer, Lewak, Greenbaum & Goldstein LLP as the independent public accountants for the Company for the year ended September 30, 1998
- (v) The amendment of the Certificate of Incorporation to change the name of the Company to RIGL Corporation
- (vi) The amendment of the Certificate of Incorporation to increase the authorized shares of the Company from 25,000,000 to 50,000,000

Summary of proxies votes:

Proposal	For	Against	Abstain
(i) Ratification of prior acts	6,653,993	-	35,000
(ii) Webb	6,688,993	-	-
(ii) Roberts	6,688,993	-	-
(ii) O'Neal	6,531,493	157,500	-
(ii) Vogel	6,688,993	-	-
(ii) Jones	6,688,993	-	-
(iii) 1998 Stock Option Plan	6,668,993	-	20,000
(iv) Independent auditors	6,688,993	-	-
(v) Name change to RIGL	6,106,993	307,000	275,000
(vi) Increase shares to 50,000,000	6,088,993	157,500	442,500
Total shares voted	6,688,993		
Total shares not voted	5,583,849		

(d) None

Item 5 Other Information  
None

Item 6 Exhibits and Reports on Form 8-K

(a) Exhibit Index

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(b) No reports on Form 8-K were filed during the three months ended June 30, 1998.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

August 12, 1998

RIGL CORPORATION

/s/ Kevin L. Jones  
Kevin L. Jones, Title: Director and President

/s/ John A. Williams  
John A. Williams, Title: Chief Financial Officer

Exhibit  
Number

Description

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10.1\*      Employment Agreement Among Michael MacKay and Renaissance  
International Group, Ltd.

27          Financial Data Schedule

EXHIBIT 10.1\*  
EMPLOYMENT AGREEMENT

THIS AGREEMENT (this "Agreement") is by and between RENAISSANCE INTERNATIONAL GROUP, LTD., a Nevada corporation ("Company"), and MICHAEL MACKAY, an individual ("Employee").

RECITALS:

A. Company is engaged, among other things, developing numerous digital information systems for the medical, multi-media and entertainment industries ("Company Business"). Employee has substantial experience and expertise in the area of system design and architecture.

B. Company desires to retain the services of Employee as an executive, to act as its CHIEF TECHNOLOGY OFFICER, and Employee desires and is willing to continue employment with the Company in that capacity.

C. Company and Employee desire to embody the terms and conditions of Employee's employment in a written agreement, which will supersede all prior agreements of employment, whether written or oral, pursuant to the terms and conditions hereinafter set forth.

D. The Board of Directors of Company (the "Board"), has determined that it is in the best interests of Company and its shareholders to assure that Company will have the continued dedication of Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined in Section 6(f)) of Company. The Board believes it is imperative to diminish the inevitable distraction of Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage Employee's full attention and dedication to Company currently and in the event of any threatened or pending Change of Control, and to provide Employee with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of Employee will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused Company to enter into this Agreement.

AGREEMENT

In consideration of the recitals and mutual agreements hereinafter set forth, the parties agree as follows:

1. Employment. Company agrees to continue to employ Employee on a full-time basis, in accordance with the terms and conditions set forth herein, and Employee agrees to accept such continued full-time employment in accordance with said terms and conditions. Employee shall have such duties and responsibilities as shall be allocated to him from time to time by the Board in his capacity as the Chief Technology Officer. Employee's title and duties may be changed from time to time in the discretion of Company's Board so long as he is maintained in an executive capacity with duties, responsibilities and privileges commensurate with his current level of employment. Employee agrees to devote his full time, skill, knowledge and attention to the business of Company and the performance of his duties under this Agreement. Employee shall report directly to the President of Company.

2. Term. The initial term (the "Term") of employment under this Agreement shall commence on May 15, 1998 (the "Effective Date") and shall continue for a period of five (5) years, unless earlier terminated as set forth in Section 6 below. Thereafter, this Agreement shall automatically renew for an additional three-year period (the "Renewal Term") unless either party gives the other written notice of non-renewal at least 30 days prior to the expiration of the Term or Renewal Term.

3. Compensation.

(a) Base Salary. Company agrees to pay Employee an initial annual base salary of \$120,000, before deducting all applicable withholdings which shall be payable in accordance with Company's standard executive payroll policies as they may be revised from time to time. Employee's annual base

salary shall thereafter be subject to annual adjustment in accordance with Company's standard executive compensation policies, but in no event shall Employee's annual base salary be less than \$120,000 per year during the Term or Renewal Term.

(b) Incentive Bonus. After commencing his duties as Chief Technology Officer, Company's Executive Committee shall, at its option, design and present to the Board for review, adjustment and adoption, an incentive compensation program for key employees. Employee shall be designated as a key employee and shall be entitled to participate in such program, and if financial targets established pursuant to the program are met, will be eligible to earn in any year an additional maximum amount of compensation in the form of stock, stock options and/or cash as determined by Company's Executive Committee.

(c) Deductions. Company shall deduct from the payments made to Employee hereunder any federal, state or local withholding or other taxes or charges which Company is required to deduct under applicable law, and all amounts payable to Employee under this Agreement are stated before any such deductions. Company shall have the right to rely upon written opinion of counsel if any questions arise as to any deductions.

#### 4. Benefits.

(a) Insurance. In addition to the compensation described above, while Employee is employed hereunder, Company shall pay for and provide Employee and his dependents with the same amount and type of health, medical and life insurance as is provided from time to time to executive officers of Company during the Term and Renewal Term, if applicable.

(b) Expense Reimbursement. In addition to the compensation and benefits provided above, Company shall, upon prior approval of the Executive Committee and receipt of appropriate documentation, reimburse Employee each month for his reasonable travel, lodging and other ordinary and necessary business expenses consistent with Company's policies as in effect from time to time.

(c) Retirement Plan. In addition to the compensation and benefits provided above, Company shall pay for and provide Employee a retirement or pension plan as is provided from time to time to executive officers of Company during the Term and Renewal Term, if applicable.

5. Vacation. Employee shall be entitled to vacation with pay in accordance with Company's vacation policy as in effect from time to time. In addition, Employee shall be entitled to such holidays as Company may approve for its executive personnel.

6. Termination. The Board may terminate Employee's employment by Company prior to the expiration of the Term or Renewal Term in the manner provided in either Section 6(a) or Section 6(b). Additionally, if notice of non-renewal is given pursuant to Section 2, the term of employment shall expire at the end of the Term and Employee shall be entitled to compensation as provided in Section 6(e).

(a) For Cause. Company may terminate this Agreement for cause upon written notice to the Employee stating the facts constituting such cause, provided that Employee shall have 10 days following such notice to cure any conduct or act, if curable, alleged to provide grounds for termination for cause hereunder. In the event of termination for cause, any unexercised stock options granted pursuant to Section 3 shall automatically expire, and Company shall be obligated to pay Employee only the salary due him through the date of termination pursuant to Section 3(a). Cause shall include material neglect of duties, failure to abide by ethical and good faith instructions or policies from or set by the Board, conviction of a felony or serious misdemeanor offense or pleading guilty or nolo contendere to same, the commission by Employee of an act of dishonesty or moral turpitude, Employee's breach of this Agreement, breach by Employee of any other material obligation to Company, or upon the bankruptcy, receivership, dissolution or cessation of business of Company.

(b) Without Cause. Any termination of Employee by Company for any other reason than for cause shall constitute a termination without cause. Any termination resulting from a Change of Control as defined below shall

constitute a termination without cause without the necessity of written notice to Employee. Upon termination under this Section 6(b), Company shall (I) pay to Employee his base salary at the time of termination due him through the date of the expiration of the Term, or Renewal Term, if applicable; and (ii) within 60 days after the end of the fiscal year in which termination pursuant to this Section 6(b) occurs, Employee shall be entitled to receive a separation payment as defined below.

(c) Disability. If during the Term, or Renewal Term, if applicable, Employee fails to perform his duties hereunder because of physical or mental illness or other incapacity for a period of two consecutive months, or for 45 days during any 120-day period, Company shall have the right to terminate this Agreement without further obligation hereunder except for any bonus amount payable in accordance with this Section 6 and any amounts payable pursuant to disability plans generally applicable to executive employees. Company shall provide Employee with notice of commencement of the disability period, which period cannot commence more than seven (7) days prior to the date of the notice. If there is any dispute as to whether Employee is or was physically or mentally disabled under this Agreement, or whether his disability has ceased and he is able to resume his duties, such question shall be submitted to a licensed physician agreed upon by the parties. Employee shall submit to such examinations and provide information as such physician may request, and the determination of such physician as to Employee's physical or mental condition shall be binding and conclusive on the parties. Company agrees to pay the cost of any such physician's services, tests and examinations.

(d) Death. If Employee dies during the Term, or Renewal Term, if applicable, this Agreement shall terminate immediately, and the Employee's legal representatives shall be entitled to receive the base salary due the Employee through the last day of the calendar month in which his death shall have occurred and any other death benefits generally applicable to executive employees.

(e) Non-Renewal. If Employee's term of employment is not renewed by Company as contemplated by Section 2 at the end of the Term, Company shall pay to Employee the base salary due him through the end of the Term, less applicable withholdings.

(f) Change of Control. For purposes of this Agreement (except to the extent governed or affected by Section 280G of the Internal Revenue Code of 1986, as amended (the "Code")), "Change in Control" shall be deemed to have occurred if the conditions set forth in any one of the following paragraphs shall have been satisfied:

i) Any "person" (as such term is used in Section 13(d) and 14(d)) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or "persons" acting in concert, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing twenty-five percent (25%) or more of the combined voting power of Company's then outstanding securities, provided that the term "person" for purposes of this Section 6(f)(I) shall exclude Company or any trustee or other fiduciary holding securities under an employee benefit plan of Company; or

ii) The stockholders of Company approve an acquisition and/or merger or consolidation of Company with any other corporation, other than (A) an acquisition and/or a merger or consolidation which would result in the voting securities of Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of Company, at least seventy percent (70%) of the combined voting power of the voting securities of Company or such surviving entity outstanding immediately after such merger or consolidation, or (B) an acquisition and/or merger or consolidation effected to implement a recapitalization of Company (or similar transaction) in which no person acquires more than fifty percent (50%) of the combined voting power of Company's then outstanding securities; or

iii) The stockholders of Company approve a plan of complete liquidation of Company or an agreement for the sale or disposition by Company of all or substantially all Company's assets.



(g) Separation Payment.

i) For purposes of this Agreement, "Separation Payment" means a payment equal to 2.99 times the Employee's annual base salary at the time of termination, subject to the limitations in (6)(g)(ii), below.

ii) If the Separation Payment plus any other severance benefits or any other payments or benefits received or to be received by Employee from the Company (whether payable pursuant to the terms of this Agreement or pursuant to any other plan, agreement or arrangement with the Company or any corporation ("Affiliate") affiliated with the Company within the meaning of Section 1504 of the Code (collectively, "Severance Benefits"), in the opinion of tax counsel selected by the Company and acceptable to Employee, constitute "parachute payments" within the meaning of Section 280G (b)(2) of the Code, and the present value of such "parachute payments" equals or exceeds three times the average of the annual compensation payable to Employee by the Company (or an Affiliate) and includable in Employee's gross income for federal income tax purposes for the five years preceding the year in which the Employee was terminated without cause under Section 6(b) of this Agreement (including, without limitation, a termination without cause upon a Change of Control) ("Base Amount"), if, but only if Employee so elects in writing, such Severance Benefits shall be reduced to an amount the present value of which (when combined with the present value of any other payments or benefits otherwise received or to be received by Employee from the Company or an Affiliate that are deemed "parachute payments") is equal to 2.99 times the Base Amount, notwithstanding any other provision to the contrary in this Agreement. However, the Severance Benefits shall not be reduced if in the opinion of such tax counsel, the Severance Benefits (in their full amount or as partially reduced, as the case may be) plus all other payments or benefits which constitute "parachute payments" within the meaning of Section 280G (b)(2) of the Code are reasonable compensation for services actually rendered, within the meaning of Section 280G (b)(4) of the Code, and such payments are deductible by the Company. The Base Amount shall include every type and form of compensation includable in Employee's gross income in respect of his employment by the company (or an Affiliate), except to the extent otherwise provided in temporary or final regulations promulgated under Section 280G (b) of the Code. For purposes of this Section 6 (g)(ii), a "change in ownership or control" shall have the meaning set forth in Section 280G (b) of the Code and any temporary or final regulations promulgated thereunder. The present value of any non-cash benefit or any deferred cash payment shall be determined by the Company's independent auditors in accordance with the principles of Sections 280G (d)(3) and (4) of the Code.

iii) Employee shall have the right to request that the Company obtain a ruling from the Internal Revenue Service ("Service") as to whether any or all payments or benefits determined by such tax counsel are, in the view of the Service, "parachute payments" under Section 280G. If a ruling is sought pursuant to executive's request, no Severance Benefits payable under this Agreement shall be made to Employee to the extent they would exceed 2.99 times the Base Amount until after 15 days from the date of such ruling. For purposes of this Section 6, Employee and the Company agree to be bound by the Service's ruling as to whether payments constitute "parachute payments" under Section 280G. If the Service declines, for any reason, to provide the ruling requested, the tax counsel's opinion provided with respect to what payments or benefits constitute "parachute payments" shall control, and the period during which the excessive portion of the Severance Benefits may be deferred shall be extended to a date 15 days from the date of the Service's notice indicating that no ruling would be forthcoming.

iv) If Section 280G, or any successor statute, is repealed, this Section 6(g) shall cease to be effective on the effective of such repeal. The parties to this Agreement recognize that final regulations under Section 280G of the Code may affect the amounts that may be paid under this Agreement and agree that, upon issuance of such final regulations this Agreement may be modified as in good faith deemed necessary in light of the provisions of such regulations to achieve the purposes of this Agreement, and that consent to such modifications shall not be unreasonably withheld.

7. Non-competition; Confidential Information.

(a) Confidential Information. Employee acknowledges that Employee may receive, or contribute to the production of, Confidential

Information. For purposes of this Agreement, Employee agrees that "Confidential Information" shall mean information or material proprietary to Company or designated as Confidential Information by Company and not generally known by non-Company personnel, which Employee develops or of or to which Employee may obtain knowledge or access through or as a result of Employee's relationship with Company (including information conceived, originated, discovered or developed in whole or in part by Employee). Confidential Information includes, but is not limited to, the following types of information and other information of a similar nature (whether or not reduced to writing) related to Company's business: discoveries, inventions, ideas, concepts, research, development, processes, procedures, "know-how", formulae, marketing techniques and materials, marketing and development plans, business plans, customer names and other information related to customers, price lists, pricing policies, financial information, employee compensation, and computer programs and systems. Confidential Information also includes any information described above which Company obtains from another party and which Company treats as proprietary or designates as Confidential Information, whether or not owned by or developed by Company. Employee acknowledges that the Confidential Information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use. Information publicly known without breach of this Agreement that is generally employed by the trade at or after the time Employee first learns of such information, or generic information or knowledge which Employee would have learned in the course of similar employment or work elsewhere in the trade, shall not be deemed part of the Confidential Information. Employee further agrees:

i) to furnish Company on demand, at any time during or after employment, a complete list of the names and addresses of all present, former and potential customers and other contacts gained while an employee of Company in Employee's possession, whether or not in the possession or within the knowledge of Company;

ii) that all notes, memoranda, documentation and records in any way incorporating or reflecting any Confidential Information shall belong exclusively to Company, and Employee agrees to turn over all copies of such materials in Employee's control to Company upon request or upon termination of Employee's employment with Company;

iii) that while employed by Company and thereafter Employee will hold in confidence and not directly or indirectly reveal, report, publish, disclose or transfer any of the Confidential Information to any person or entity, or utilize any of the Confidential Information for any purpose, except in the course of Employee's work for Company; and

iv) that any idea related to the Company's business in whole or in part conceived of or made by Employee during the term of his employment, consulting, or similar relationship with Company which relates directly or indirectly to Company's current or planned lines of business and is made through the use of any of the Confidential Information of Company or any of Company's equipment, facilities, trade secrets or time, or which results from any work performed by Employee for Company, shall belong exclusively to Company and shall be deemed a part of the Confidential Information for purposes of this Agreement. Employee hereby assigns and agrees to assign to Company all rights in and to such Confidential Information whether for purposes of obtaining patent or copyright protection or otherwise. Employee shall acknowledge and deliver to Company, without charge to Company (but at its expense) such written instruments and do such other acts, including giving testimony in support of Employee's authorship or inventorship, as the case may be, necessary in the opinion of Company to obtain patents or copyrights or to otherwise protect or vest in Company the entire right and title in and to the Confidential Information.

(b) Non-competition. During the Term, Employee agrees that he shall not enter into or engage, directly or indirectly, whether on his own account or as a shareholder (other than as a less than 2% shareholder of a publicly-held company), partner, joint venturer, employee, consultant, advisor, and/or agent, of any person, firm, corporation, or other entity, in any or all of the following activities:

i) Engaging in Company Business in the United States;

ii) soliciting the past or existing customers, clients, suppliers, or business patronage of Company or any of its predecessors, affiliates or subsidiaries, or use any Confidential Information (as defined in Section 7(a)) for the purpose of, or which results in, competition with Company or any of its affiliates or subsidiaries;

iii) soliciting the employment of any employees of Company or any of its affiliates or subsidiaries; and

iv) promoting or assisting, financially or otherwise, any person, firm, association, corporation, or other entity engaged in the Company Business in the United States.

(c) Injunctions. It is agreed that the restrictions contained in this Section 7 are reasonable, but it is recognized that damages in the event of the breach of any of the restrictions will be difficult or impossible to ascertain; and, therefore, Employee agrees that, in addition to and without limiting any other right or remedy Company may have, Company shall have the right to an injunction against Employee issued by a court of competent jurisdiction enjoining any such breach without showing or proving any actual damage to Company.

(d) Employee also agrees, acknowledges, covenants, represents and warrants as follows:

i) that he has read and fully understands the foregoing restrictions and that he has consulted with a competent attorney regarding the uses and enforceability of restrictive covenants;

ii) that he is fully and completely aware that, and further understands that, the foregoing restrictive covenants are an essential part of the consideration for Company entering into this Agreement and that Company is entering into this Agreement in full reliance on these acknowledgments, covenants, representations and warranties; and

iii) that the existence of any claim or cause of action by him against Company, if any, whether predicated upon this Agreement or otherwise, shall not constitute a defense to the enforcement by Company of the foregoing restrictive covenants which shall be litigated separately.

(e) If period of time and/or territory described above are nevertheless held to be in any respect an unreasonable restriction (after giving due consideration to the provisions of Section 7(d) above), then it is agreed that the court so holding may reduce the territory to which the restriction pertains or the period of time in which it operates or may reduce both such territory and such period, to the minimum extent necessary to render such provision enforceable.

(f) The obligations described in this Section 7 shall survive any termination of this Agreement or any termination of the employment relationship created hereunder for the maximum period of time said obligations may be legally enforced.

## 8. Inventions and Creations.

(a) Employee agrees that all inventions, discoveries, developments, improvements, ideas, distinctive marks, symbols or phrases, copyrightable creations, works of authorship, mask works and other contributions including but not limited to software, advertising, design, artwork, manuals and writings (collectively referred to as "Creations"), whether or not protected by statute, which have been, or are in the future conceived, created, made, developed or acquired by Employee, either individually or jointly, while employee is retained by Company and relate in any manner to Employee's work for Company, the research or business of Company or fields into which the business of Company shall extend during the Term of this Agreement, belong to Company. Employee hereby sells, assigns and transfers to Company exclusively and irrevocably, without further compensation, all ownership, title and rights in and to all of the Creations. Employee further agrees to promptly and fully disclose the Creations to Company in writing, if requested by Company, and to execute and deliver any and all lawful applications, assignments and other documents which Company requests for protecting the Creations in the United States or any other country. Company shall have the full and sole power to prosecute such

applications and to take all other actions concerning the Creations, and Employee agrees to cooperate fully, at the expense of Company, in the preparation and prosecution of all such applications and any legal actions and proceedings concerning the Creations.

(b) Employee agrees and warrants that the Creations will be Employee's original work and will not knowingly, improperly or illegally incorporate any material created by or belonging to others.

(c) Employee agrees to and does hereby sell, assign, convey and transfer to Company any and all manuscripts, programs, writings, pictorial materials, originals, camera-ready copies, and all drafts and notes of the Creations, regardless of the media in which they might exist, and to provide these materials to Company promptly whenever requested by Company and upon completion of the Agreement, and to execute documents, give testimony and otherwise cooperate fully with Company to establish and/or confirm Company's ownership, patent, copyright and/or trademark rights concerning the Creations.

9. Governing Law and Venue. Arizona law shall govern the construction and enforcement of this Agreement and the parties agree that any litigation pertaining to this Agreement shall be in courts located in Maricopa County, Arizona.

10. Construction. The language in all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning and not strictly for nor against any party. The Section headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. All terms used in one number or gender shall be construed to include any other number or gender as the context may require. The parties agree that each party has reviewed this Agreement and has had the opportunity to have counsel review the same and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment or any exhibits thereof.

11. Nondelegability of Employee's Rights and Company Assignment Rights. The obligations, rights and benefits of Employee hereunder are personal and may not be delegated, assigned or transferred in any manner whatsoever, nor are such obligations, rights or benefits subject to involuntary alienation, assignment or transfer. Upon reasonable notice to Employee, Company may transfer Employee to an affiliate of Company, which affiliate shall assume the obligations of Company under this Agreement. This Agreement shall be assigned automatically to any entity merging with or acquiring Company or its business.

12. Assignment. This Agreement and the respective rights, duties and obligations of Employee hereunder may not be assigned or delegated by Employee.

13. Severability. In the event any term or provision of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable for any reason, the remaining provisions of this Agreement shall remain in full force and effect, and either (a) the invalid or unenforceable provision shall be modified to the minimum extent necessary to make it valid and enforceable or (b) if such a modification is not possible, this Agreement shall be interpreted as if such invalid or unenforceable provision were not a part hereof.

14. Attorneys' Fees. Except as otherwise provided herein, in the event any party hereto institutes an action or other proceeding to enforce any rights arising out of this Agreement, the party prevailing in such action or other proceeding shall be paid all reasonable costs and attorneys' fees by the non-prevailing party, such fees to be set by the court and not by a jury and to be included in any judgment entered in such proceeding.

15. Consideration. It is expressly understood and agreed that this document sets forth the entire consideration for this Agreement, and that said consideration for this Agreement is contractual and not a mere recital.

16. Construction. This Agreement is a negotiated agreement and any documents delivered pursuant hereto shall be construed without regard to the identity of the persons or entities who or which drafted the various provisions thereof. Every provision of this Agreement and such other

employment-related documents shall be construed as though all parties participated equally in the drafting thereof. Any legal rule of construction that a document is to be construed against the drafting party shall not be applicable and is expressly waived by Company and Employee.

17. Counterparts. This Agreement may be executed in any number of counterparts, all such counterparts shall be deemed to constitute one and the same instrument, and each of said counterparts shall be deemed an original hereof.

18. Captions. The captions used in this Agreement are inserted for convenience only and shall not affect the meaning or construction of this Agreement.

19. Notices. All notices required or permitted hereunder shall be in writing and shall be deemed duly given upon receipt if either personally delivered, sent by certified mail, return receipt requested, or sent by a nationally-recognized overnight courier service, addressed to the parties as follows:

If to Company: Renaissance Group International, Ltd.  
7501 N. 16th Street, Suite 200  
Phoenix, Arizona 85020  
Attn: General Counsel

If to Employee: Michael Mackay  
100 Bluebell Place  
Vallejo, California 94591-8042

or to such other address as any party may provide to the other in accordance with this Section.

20. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof (i.e., Employee's employment by Company) and supersedes all prior or contemporaneous understandings or agreements in regard thereto; provided, however, that (except as otherwise set forth herein) this Agreement shall not affect or supersede any rights of Company under any other contracts or other agreements between or otherwise involving the parties, any restrictive covenants or any similar agreements. No modification or addition to this Agreement shall be valid unless in writing, specifically referring to this Agreement and signed by all parties hereto. No waiver of any rights under this Agreement shall be valid unless in writing and signed by the party to be charged with such waiver. No waiver of any term or condition contained in this Agreement shall be deemed or construed as a further or continuing waiver of such term or condition, unless the waiver specifically provides otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement on the 15th day of May, 1998.

RENAISSANCE INTERNATIONAL GROUP, LTD,  
a Nevada corporation

EMPLOYEE:

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

BY: /s/  
Michael Mackay

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