As filed with the Securities and Exchange Commission on October 16, 2000
File No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

CORNICHE GROUP INCORPORATED
(Exact name of registrant as specified in its charter)

DELAWARE	6770	22-2343568
(State or other jurisdiction of incorporation or organization)	(Primary standard industrial classification code number)	(I.R.S. employer identification no.)

610 SOUTH INDUSTRIAL BLVD.
SUITE 220
EULESS, TEXAS 76040
(817) 283-4250
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

ROBERT F. BENOIT
CHIEF EXECUTIVE OFFICER
610 SOUTH INDUSTRIAL BLVD.
SUITE 220
EULESS, TEXAS 76040
(817) 283-4250
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of communications to:

DAVID H. ODEN
Haynes and Boone, LLP
1600 North Collins, Suite 2000
Richardson, Texas 75080
(972) 680-7550

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:
As soon as practicable after the Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. [ ]

CALCULATION OF REGISTRATION FEE

TITLE OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED (1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
Common Stock, par value $0.001.....	19,844,585	$ 1.22	$ 24,210,394	$ 6,392

(1) Pursuant to Rule 416(a) under the Securities Act, this Registration Statement also covers such additional shares of our common stock as may

become issuable pursuant to antidilution adjustments.

(2) Based upon the average of the high and low prices of the Registrant's common stock on the NASDAQ Over-the-Counter Bulletin Board on October 12, 2000, pursuant to Rule 457(c) under the Securities Act of 1933.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

The information in this prospectus is not complete and may be changed. The Corniche Group Incorporated and selling stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities nor is it soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED OCTOBER 16, 2000

PROSPECTUS

19,844,585 SHARES

CORNICHE GROUP INCORPORATED
COMMON STOCK
$0.001 PAR VALUE PER SHARE

This prospectus relates to the sale of 19,844,585 shares of Corniche Group Incorporated common stock, $0.001 par value, 15,844,585 of which are being sold by certain selling stockholders and 4,000,000 of which are being sold by Corniche.

The common stock is quoted on the National Association of Securities Dealers' Over-the-Counter Bulletin Board under the symbol CNGI. On October 12, 2000, the last reported sales price for our common stock as reported on the Over-the-Counter Bulletin Board was $1.22.

See "Risk Factors"beginning on page 3 to read about factors you should consider before buying shares of our common stock.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is _____ , 2000.

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We and the Selling Stockholders are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

As used in this prospectus, unless the context otherwise requires, "we," "us," "our" or "Corniche" collectively refers to Corniche Group Incorporated.

PROSPECTUS SUMMARY

This summary highlights information that we believe is especially important concerning our business and this offering of common stock. It does not contain all of the information that may be important to your investment decision. You should read the entire prospectus, including "Risk Factors" and our financial statements and related notes, before deciding to invest in our common stock.

CORNICHE

We are a development stage company that is engaged in two businesses: the sale to consumers of warranty service contracts on automobiles and consumer products, and the property/casualty reinsurance business. We have developed a web site on the Internet, WarrantySuperstore.com, to market warranty service contracts directly to consumers. We intend to market service contracts solely over the Internet.

With regard to the reinsurance business, our wholly owned subsidiary is licensed as an insurance company in the Cayman Islands. We accept reinsurance from domestic U.S. insurance companies. Once this subsidiary is sufficiently capitalized, we intend to request the insurance carriers providing contractual liability coverage on our service contracts to share (by way of reinsurance) a portion of the risk with our insurance subsidiary.

Our principal executive office is located at 610 South Industrial Boulevard, Suite 220, Euless, Texas 76040. Our telephone number is (817) 283-4250.

THE OFFERING

Common stock offered by selling stockholders:.....	15,844,585 SHARES
COMMON STOCK OFFERED BY THE COMPANY.....	4,000,000 SHARES
COMMON STOCK OUTSTANDING:	
PRIOR TO THIS OFFERING:	22,472,971(1)
AFTER THIS OFFERING:	26,472,971(1) (2)
USE OF PROCEEDS:.....	Assuming that all 4,000,000 shares offered by the Company in this offering are sold, we estimate that we will receive net proceeds of approximately $9,800,000 from the sale of 4,000,000 shares of common stock. We intend to use the net proceeds we receive: o to fund marketing and sales efforts; and o for working capital and other general corporate purposes.
NASDAQ OVER-THE-COUNTER BULLETIN BOARD SYMBOL:	CNGI

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(1) Does not include 175,000 shares of common stock reserved for issuance under our stock option plans and 79,000 shares issuable upon exercise of currently outstanding warrants, but assumes full conversion of all the outstanding Series B convertible redeemable preferred stock.

(2) Of the shares being offered for sale in this offering, 14,222,971 shares of common stock are currently outstanding. 8,250,000 Shares are issuable upon the conversion of currently outstanding shares of Series B convertible redeemable preferred stock. The remaining 4,000,000 shares are being offered by Corniche in this offering.

RISK FACTORS

Investing in our common stock involves a substantial risk. You should consider carefully the risks and uncertainties described below before deciding to buy our common stock. If any of the following risks or uncertainties occurs, our business could be adversely affected. In this event, the trading price of our common stock could decline, and you could lose all or part of your investment.

RISKS RELATED TO OUR WARRANTY SERVICE CONTRACT BUSINESS

IF WE CANNOT MEET OUR FUTURE CAPITAL REQUIREMENTS, OUR BUSINESS WILL SUFFER.

Since the time of the reorganization of the Company in May 1998, we have experienced operating losses. To date, we have funded our operations from the sale of our stock. There can be no assurance that we will be able to achieve profitability.

We expect that we will need to raise additional funds in the future through debt or equity financings to:

- fund operating losses;
- expand our business operations, including our warranty service contract business;
- take advantage of opportunities, including acquisitions of complementary businesses or technologies;
- develop new products; or
- respond to economic and competitive pressures.

Future additional financing may not be available on terms favorable to us, if at all. If adequate funds are not available or are not available on acceptable terms, our operating results and financial condition may suffer, and our stock price may decline.

OUR BUSINESS AND PROSPECTS DEPEND ON DEMAND FOR AND MARKET ACCEPTANCE OF THE INTERNET AS A MEDIUM OF COMMERCE AND THE DEVELOPMENT OF THE INTERNET'S INFRASTRUCTURE.

Use of the Internet for retrieving, sharing and transferring information among businesses, consumers, suppliers and partners has increased substantially in recent years, and our success will depend in large part on continued growth in the use of the Internet. Critical issues concerning the use of the Internet and e-commerce, including security, reliability, cost, ease of access, quality of service, regulatory initiatives and necessary increases in bandwidth availability, remain unresolved and are likely to affect the development of the market for our services. The adoption of the Internet for information retrieval and exchange, commerce and communications generally will require the continued increase in the acceptance of the Internet as a medium for conducting business and exchanging information. Demand for, and market acceptance of, the Internet are subject to a high level of uncertainty and are dependent on a number of factors, including:

- the growth in consumer access to, and acceptance of, new interactive technologies;
- concerns regarding the security of e-commerce transactions;
- the development of technologies that facilitate interactive communication; and
- increases in user bandwidth and connectivity.

If the Internet develops more slowly than expected as a commercial or business medium, our business and prospects will not grow.

THERE IS NO ASSURANCE THAT THE PUBLIC WILL ACCEPT THE INTERNET AS A MEDIUM OF COMMERCE FOR THE PURCHASE OF WARRANTY SERVICE CONTRACTS.

We market warranty service contracts solely over the Internet. To date, our sales of warranty service contracts has been minimal. There is no assurance that consumers in significant numbers will accept the Internet as a medium for the sale of warranty service contracts.

WE DEPEND ON OUR KEY PERSONNEL TO MANAGE OUR BUSINESS EFFECTIVELY IN A RAPIDLY CHANGING MARKET, AND IF WE ARE UNABLE TO RETAIN OUR KEY EMPLOYEES, OUR ABILITY TO COMPETE COULD BE HARMED.

Our future operating results will depend in significant part upon the continued services of our executive officers and support personnel who have industry experience and relationships that we will rely on in implementing our business plan. We face competition for qualified personnel. The loss of the services of any of our key employees could negatively impact our ability to sell our service. This could have a material adverse effect on our future results of operations and financial condition.

THE MARKET IN WHICH WE OPERATE IS HIGHLY COMPETITIVE AND WE MAY BE UNABLE TO COMPETE SUCCESSFULLY AGAINST NEW ENTRANTS AND ESTABLISHED COMPANIES WITH GREATER RESOURCES.

The warranty service contract market is relatively new, intensely competitive, highly fragmented and rapidly changing. We have experienced and expect to experience increased competition. Many of our current competitors, as well as a number of our potential competitors, have longer operating histories, greater name recognition and substantially greater financial, technical and marketing resources than we do. Some of our current or potential competitors have the financial resources to withstand substantial price competition. Moreover, many of our competitors have more extensive customer bases, broader customer relationships and broader industry alliances that they could use to their advantage in competitive situations. Our competitors may be able to respond more quickly than we can to changes in the warranty service contract market. Some of our current or potential competitors may enter into strategic relationships or combine their service offerings with other business service or consumer products providers in a manner that may make Internet sales for us more difficult.

As competition in the warranty service contract market continues to intensify, new solutions may come to market. We are aware of other companies that are focusing or may in the future focus significant resources on developing services that will compete directly with our WarrantySuperStore.com web site. Increased competition could result in:

- price and revenue reductions and lower profit margins;
- increased cost of service from telecommunications providers; and
- loss of customers.

Any one of the above could materially and adversely affect our business, financial condition and results of operations.

RISKS RELATED TO LEGAL AND REGULATORY UNCERTAINTY

THE IMPOSITION OF A SALES TAX FOR INTERNET COMMERCE TRANSACTIONS MAY DISCOURAGE ONLINE SHOPPING AND RESULT IN DECREASED INTERNET COMMERCE WEB SITE TRAFFIC, WHICH IN TURN COULD DECREASE THE DEMAND FOR OUR SERVICE.

In 1998, the U.S. federal government enacted legislation prohibiting states or other local authorities from imposing new taxes on Internet commerce for a three-year period, ending on October 1, 2001. This period has been extended for an additional year. A number of trade groups and government entities have publicly stated their objections to this tax moratorium and have argued for its repeal. There can be no assurance that future laws will not impose taxes or other regulations on Internet commerce, or that the moratorium will not be repealed, or that it will be renewed when it expires. The occurrence of any of these events could substantially impair the growth of Internet commerce, which, in turn, would decrease the demand for our warranty service contracts.

OUR OPERATING RESULTS COULD BE IMPAIRED IF WE BECOME SUBJECT TO BURDENSOME GOVERNMENT REGULATIONS AND INCREASED LEGAL REQUIREMENTS CONCERNING THE INTERNET.

Laws and regulations relating to the Internet remain largely unsettled, even in areas where there has been some legislative action. However, due to the increasing popularity and use of the Internet, additional laws and regulations may be adopted with respect to the Internet, relating to:

- user privacy;
- content;
- copyrights;
- communications services;
- characteristics and quality of products and services; and
- online advertising and marketing.

The adoption of additional laws or regulations, both domestically and abroad, may decrease the popularity or impede the expansion of the Internet and could seriously harm our business. A decline in the popularity or growth of the Internet could decrease demand for our service. Moreover, the applicability of existing laws to the Internet is uncertain with regard to many important issues, including property ownership, intellectual property, export of encryption technology, libel and personal privacy. The application of laws and regulations from jurisdictions whose laws do not currently apply to our business, or the application of existing laws and regulations to the Internet and other online services, could also harm our business. It may take years to determine whether and how existing and future laws and regulations apply to us.

RISKS RELATED TO OUR REINSURANCE BUSINESS

In connection with our reinsurance business, we are accepting risks from direct insurance underwriters. As a result, our reinsurance business is subject to the same risks and economic factors that could affect a direct insurer.

THE NATURE OF THE INSURANCE BUSINESS.

The insurance business is cyclical in nature. It has historically been characterized by periods of relatively high levels of price competition, less restrictive underwriting standards and generally low premium rates, followed by periods of capital shortages resulting in a lack of insurance availability, relatively low levels of competition, more selective underwriting of risks and relatively high premium rates. The unpredictability and competitive nature of the insurance industry have contributed to significant quarter-to-quarter and year-to-year fluctuations in underwriting results and net income. We cannot predict if, or when, the market conditions for the insurance industry, including the product lines that we insure, will change. Our profitability is affected by many factors, including not only rate competition, but also severity and frequency of claims, fluctuations in interest rates that affect investment returns, regulation, court decisions, natural disasters, the legislative climate, and general economic conditions and trends, such as inflationary pressures that may affect the adequacy of reserves, all of which are substantially beyond our control.

One of the distinguishing features of the insurance industry is that prices are set before costs are known because rates for individual policies are determined before losses for the policies are reported. Changes in statutory and case law can dramatically affect the liability associated with known risks after the insurance policy is in place. The number of competitors and the similarity of products offered, as well as regulatory constraints, limit the ability of insurance companies such as us to increase prices in response to declines in profitability. In addition, during periods of high interest rates, some insurance companies may be willing to absorb underwriting losses to generate funds for investment, thereby prolonging low premium rates which are not adequate to cover underwriting losses and expenses. As a result of these factors, we may experience significantly lower premiums in the future.

Most insurance underwriting decisions are based on assumptions about events that will occur over a period of future years and are generally based on actuarial projections and historical data reflecting the collective experience of large groups of insureds. The actuarial projections may not accurately predict the aggregate obligations of any given insurer.

THE COMPETITION IN THE INDUSTRY IN WHICH WE COMPETE.

The insurance industry is highly competitive. Many of our reinsurance competitors have more established national and international reputations and substantially greater financial resources and market share than Corniche.

THE ADEQUACY OF OUR LOSS RESERVES.

We are required to maintain adequate reserves to cover our estimated ultimate liability for losses as of the end of each accounting period. These reserves are estimates of what we expect our ultimate settlement and administration of claims will cost, and are based on facts and circumstances then known, predictions of future events, estimates of future trends in claims severity and other variable, subjective factors. No method is available to estimate precisely the ultimate liability. In recent years, a number of courts have issued decisions expanding civil liability. These decisions have resulted in higher damage awards to injured parties. In many cases, these decisions have also resulted in liability and increased losses to insurance companies. In addition, we rely on policy language, developed by us and by others, to exclude or limit coverage. Any court ruling that this language is invalid or unenforceable could materially adversely affect our financial position. This possibility of expansion of insurers' liability either through new concepts of liability or a refusal to accept restrictive policy language has added to the inherent uncertainty of reserving for losses. Although management believes that adequate provision has been made for loss reserves, the establishment of appropriate reserves is an inherently uncertain process, and there can be no assurance that ultimate losses will not exceed our loss reserves and have a material adverse effect on our results of operations and financial condition. If our reserves become inadequate, we will be required to increase reserves with a corresponding increase in losses incurred and reduction in our net income and stockholders' equity in the period in which the deficiency is identified.

INSURANCE RATINGS.

We compete with other reinsurance companies on the basis of a number of factors, including the rating assigned by A.M. Best. A.M. Best's letter ratings range from A++ (Superior) to C- (Weak) with A++ being highest. A.M. Best ratings are based upon factors relevant to policyholders, agents, insurance brokers and intermediaries and are not directed to the protection of investors.

Our reinsurance subsidiary is currently rated A+ by A.M. Best. There can be no assurance that the rating will not be changed in subsequent periodic reviews by A.M. Best. Any rating downgrade below B+ could have a material adverse effect on our results of operations and our ability to effectively compete in the marketplace.

RISKS RELATING TO THE SECURITIES MARKETS AND THIS OFFERING

OUR STOCK PRICE MAY BE VOLATILE, WHICH COULD RESULT IN LITIGATION AGAINST CORNICHE AND SUBSTANTIAL LOSSES FOR INVESTORS PURCHASING SHARES IN THIS OFFERING.

Our stock price may fluctuate in a manner unrelated or disproportionate to our performance. The following factors could cause the market price of our common stock in the public market to fluctuate significantly from the price paid by investors in this offering:

- the addition or departure of key Corniche personnel;
- variations in our quarterly operating results;
- announcements by us or our competitors of new services or enhancements, acquisitions, distribution partnerships, joint ventures or capital commitments;
- sales of our common stock or other securities in the future;
- changes in market valuations of similar, publicly traded companies; and
- fluctuations in stock market prices and volumes.

VOLATILITY IN THE MARKET PRICE OF OUR COMMON STOCK MAY PREVENT INVESTORS FROM BEING ABLE TO SELL THEIR COMMON STOCK AT OR ABOVE OUR CURRENT PRICE.

In the past, class action litigation has often been brought against companies following periods of volatility in the market price of those companies' common stock. We may become involved in this type of litigation in the future. Litigation is often expensive and diverts management's attention and resources, which could materially adversely affect our business and results of operations.

INSIDERS WILL CONTINUE TO HAVE SUBSTANTIAL CONTROL OVER CORNICHE AFTER THIS OFFERING AND COULD LIMIT YOUR ABILITY TO INFLUENCE THE OUTCOME OF KEY TRANSACTIONS, INCLUDING CHANGES OF CONTROL.

The holders of our Series B preferred stock and our executive officers, directors and entities affiliated with them beneficially owned approximately 40% of our outstanding voting stock prior to this offering. Even after this offering, these stockholders, if acting together, could be able to influence significantly all matters requiring the approval of our stockholders, including the election of directors and the approval of mergers or other business combination transactions.

THERE MAY BE SALES OF A SUBSTANTIAL AMOUNT OF OUR COMMON STOCK AFTER THIS OFFERING THAT COULD CAUSE OUR STOCK PRICE TO FALL.

Our current stockholders hold a substantial number of shares, which they are able to sell in the public market at any time. Sales of a substantial number of shares of our common stock within a short period of time after this offering could cause our stock price to fall. In addition, the sale of these shares could impair our ability to raise capital through the sale of additional stock.

THIS PROSPECTUS CONTAINS FORWARD-LOOKING STATEMENTS

This prospectus contains statements about future events and expectations that are "forward-looking statements." Any statement in this prospectus that is not a statement of historical fact may be deemed to be a forward- looking statement. These forward-looking statements address, among other things:

- the development and management of our business;
- our anticipated revenue, expense levels, liquidity and capital resources and operating losses;
- the success of our marketing efforts;
- our ability to attract customers;
- the extent of acceptance of our services;
- the market opportunity and trends in the market for our services;
- our ability to compete;
- our future capital expenditures and needs; and
- other statements, including statements containing words such as "may," "might," "could," "would," "anticipate," "believe," "plan," "estimate," "project," "expect," "seek," "intend" and other similar words that signify forward-looking statements.

These statements may be found in the sections of the prospectus entitled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" and in this prospectus generally.

We have based these forward-looking statements on our current expectations and projections about future events. However, our actual results could differ materially from those anticipated in these forward-looking statements as a result of risks facing us, including risks stated in "Risk Factors," or faulty assumptions on our part. For example, assumptions that could cause actual results to vary materially from future results include, but are not limited to:

- our ability to generate customer demand for our services;
- the development of our target market and market opportunities;
- changes or advances in technology;
- trends in regulatory, legislative and judicial developments; and
- the extent of competition.

These forward-looking statements are made as of the date of this prospectus. We assume no obligation to update them or to explain the reasons why actual results may differ. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur.

USE OF PROCEEDS

Corniche will not receive any of the proceeds from the common stock offered by the selling stockholders. Assuming that all 4,000,000 shares offered by Corniche in this offering are sold at an assumed offering price of $2.50 per share, we estimate that we will receive net proceeds of approximately $9,800,000 from the sale. We intend to use the net proceeds we receive:

- to fund marketing and sales efforts; and
- for working capital and other general corporate purposes.

We will retain broad discretion in the allocation of the net proceeds of this offering. In addition, we may use a portion of the net proceeds to acquire or invest in businesses that are complementary to our business. We currently do not have any commitments or agreements for any acquisitions or investments of this kind.

PLAN OF DISTRIBUTION

The common stock offered hereby may be sold directly by Corniche and each selling stockholder or indirectly through agents, dealers or underwriters from time to time in one or more transactions on the Nasdaq Over-the-Counter Bulletin Board or any exchanges on which the common stock is then listed, or in privately negotiated transactions at prices related to market prices, at negotiated prices or fixed prices. The selling stockholders will bear all discounts and commissions paid to broker-dealers in connection with the sale of their common stock. Other offering expenses will be borne by Corniche.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our common stock. We do not expect to pay cash dividends on our common stock in the foreseeable future. We currently intend to retain our future earnings, if any, to fund the development and growth of our business. Future dividends, if any, will be determined by our board of directors and will depend upon our results of operations, financial condition, and capital expenditure plans, as well as other factors that our board of directors considers relevant.

CAPITALIZATION

The following table sets forth as of June 30, 2000, (a) the "actual" capitalization of the Company and (b) the "as adjusted" capitalization of the Company after giving effect to the issuance of 4,000,000 shares of common stock being offered by Corniche at an assumed offering price of $2.50 per share.

	June 30, 2000	
	Actual	As Adjusted
Total current liabilities	$ 499,334	$ 499,334
Deferred revenues	$ 587,766	$ 587,766
Long-term debt	$ 64,116	$ 64,116
Series A $0.07 convertible preferred stock, stated value - $1.00 per share authorized - 1,000,000 shares outstanding - 694,974 shares		$ 694,974
Series B convertible redeemable preferred stock, $.01 par value, authorized, issued and outstanding - 825,000 shares	$ 694,974 $ 8,250	$ 8,250
Common stock $.001 par value, authorized - 30,000,000 shares		
Issued: actual - 14,222,971 shares	14,223	--
as adjusted - 18,222,971 shares	--	18,223(1)
Additional paid-in capital	8,806,734	18,602,734(1)
Accumulated deficit	(4,911,517)	(4,911,517)
	3,917,690	13,691,217
	$ 5,763,880	$ 15,563,876

(1) Reflects the receipt of $9,800,000 in net proceeds from the issuance of 4,000,000 shares of common stock at an assumed offering price of $2.50 per share, after deducting estimated offering expenses of $200,000.

SELECTED CONSOLIDATED FINANCIAL DATA

The following table sets forth summary financial data of the Company (i) for each of the six month periods ended June 30, 2000, and 1999, (ii) for the year ended December 31, 1999, (iii) for the period from April 1, 1998, through December 31, 1998, and (iv) for the years ended March 31, 1998, 1997, and 1996. The historical financial data for the year ended December 31, 1999, and for the nine months ended December 31, 1998, are derived from the audited financial statements of Corniche, which were audited by Weinick Sanders Leventhal & Co., LLP, independent certified public accountants, are included elsewhere in this prospectus. The historical financial data for the years ended March 31, 1998, 1997, and 1996 are derived from the audited financial statements of Corniche, which were audited by Simontacchi & Company, LLP, independent certified public accountants. The audited financial statements for Corniche for the year ended March 31, 1998, are included elsewhere in this Prospectus. The summary financial data should be read in conjunction with both the Company's financial statements and the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Prospectus. The financial data for the six month periods ended June 30, 2000, and 1999, are unaudited, but, in the opinion of management, reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of results for the interim periods. The operating results for interim periods are not necessarily indicative of results for the full fiscal year.

	SIX MONTHS ENDED JUNE 30,		YEAR ENDED DECEMBER 31,	NINE MONTHS ENDED DECEMBER 31,
	2000	1999	1999	1998
OPERATING DATA:				
CONTINUING OPERATIONS:				
Earned revenues	$ 275,549	$ --	$ 12,854	$ --
Direct costs	106,580	--	7,557	--
Gross profit	168,969	--	5,297	--
Operating expenses	824,041	999,763	1,060,668	428,157
Operating loss	(655,072)	(999,763)	(1,055,371)	(428,157)
Interest income (expense)	86,620	5,965	(56,965)	25,206
Loss from continuing operations before preferred dividend	(566,792)	(993,798)	(1,112,336)	(402,951)
Preferred dividend	24,370	(28,714)	(57,172)	(44,642)
Loss from continuing operations	(581,162)	(1,022,512)	(1,169,508)	(447,593)
DISCONTINUED OPERATIONS:				
Loss from discontinued operations	--	--	--	--
Excess of UK subsidiary cumulative loss over investment	--	--	--	--
Net income (loss) per common share	$ (581,162)	$ (1,022,512)	$ (1,169,508)	$ (447,593)
PER SHARE DATA:				
Net income (loss) per common share:				
Continuing operations	$ (0.04)	$ (0.16)	$ (0.17)	$ (0.07)
Discontinued operations	--	--	--	--
	$ (0.04)	$ (0.16)	$ (0.17)	$ (0.07)
Weighted average number of common shares outstanding	13,820,536	6,377,357	6,905,073	6,367,015

	YEARS ENDED MARCH 31,		
	1998	1997	1996
OPERATING DATA:			
CONTINUING OPERATIONS:			
Earned revenues	$ --	$ --	$ --
Direct costs	--	--	--
Gross profit	--	--	--
Operating expenses	221,602	251,583	257,073
Operating loss	(221,602)	(251,583)	(257,073)
Interest income (expense)	17,804	(17,373)	(600)
Loss from continuing operations before preferred dividend	(203,798)	(268,956)	(260,715)
Preferred dividend	(60,067)	(63,648)	(62,795)
Loss from continuing operations	(263,865)	(332,604)	(323,510)

DISCONTINUED OPERATIONS:			
Loss from discontinued operations	--	--	(3,432,032)
Excess of UK subsidiary cumulative loss over investment	--	--	5,466,636
Net income (loss) per common share	$ (263,865)	$ (332,604)	$ 1,711,094
PER SHARE DATA:			
Net income (loss) per common share:			
Continuing operations	$ (0.05)	$ (0.14)	$ (0.14)
Discontinued operations	--	--	0.88
	$ (0.05)	$ (0.14)	$ 0.74
Weighted average number of common shares outstanding	5,165,272	2,412,278	2,300,289

	June 30, 2000	
	Actual	As Adjusted(1)
Balance sheet data:		
Working capital	$ 4,624,638	$ 9,424,638
Total assets	5,763,880	10,563,880
Long-term debt and unearned revenues	651,882	651,882
Series A convertible preferred stock	694,974	694,974
Convertible redeemable preferred stock, common stock an other stockholders' equity	3,917,690	13,691,217

(1) Gives effect to the sale of 4,000,000 shares of common stock being offered hereby, at $2.50 per share, net of estimated offering costs of $200,000.

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

You should read the following discussion and analysis when you read the consolidated financial statements and the related notes included in this prospectus.

OVERVIEW

PLAN OF OPERATION

We have relied solely on the proceeds from the sales of securities in October 1997, May 1998, May 1999, December 1999, and during the six months ended June 30, 2000, for the primary source of our funds. These funds were and will be utilized to fund our operating expenses. Management anticipates we will require additional funds from future sales of our securities and/or other financing alternatives to fund our future operational costs and at the same time fully develop our service contract sales and insurance businesses.

On September 30, 1998, we acquired Stamford Reinsurance Company Ltd., which was then an inactive foreign corporation that is licensed in the Cayman Islands as a casualty and property insurer. In the fourth quarter of 1999, Stamford commenced underwriting as a reinsurer. Also in the fourth quarter, we commenced sales of our automotive vehicle and consumer products service contracts through our website.

Our plan of operation for the next 12 months is principally to continue our endeavors to establish ourselves in the vehicle and consumer products service contract business through our Internet web site, www.warrantysuperstore.com, and to continue to seek additional property/casualty reinsurance opportunities for our wholly owned reinsurance company, Stamford Reinsurance Co. Ltd.

RESULTS OF OPERATIONS

SIX MONTHS ENDED JUNE 30, 2000, COMPARED TO SIX MONTHS ENDED JUNE 30, 1999.

Sales. We did not generate any operating revenues until the fourth quarter of fiscal 1999, when our reinsurance subsidiary commenced generating premium revenues and the Company began the sale of its service contracts.

Cost of Sales. In the six months ended June 30, 2000, Stamford continued reinsuring contractual liability insurance policies from one United States carrier that is rated "A-" Excellent by A.M. Best. This insurance generated approximately $536,000 in premiums, of which $296,000 was unearned at June 30, 2000. Policy acquisition costs were $67,000 of which $49,000 was expensed in the six months ended June 30, 2000. Income from operations in the six months ended June 30, 2000, was $169,000 of which $5,000 is management's estimate of incurred by not reported losses at June 30, 2000. Our sales of extended service contracts for new and used service contracts for new and used automotive vehicles in the six months ended June 30, 2000, generated $28,600 in revenues of which $10,000 was recognized within the current period with the balance deferred over the life of the contract. Direct costs associated with the sale of the service contracts are being recognized pro rata over the length of the contract.

General and Administrative. General and administrative costs decreased by 17.6% to $824,000 for the six months ended June 30, 2000, compared to $1,000,000 for the six months ended June 30, 1999. For the three months ended June 30, 2000, general and administrative costs decreased by 17.3% to $497,000 compared to $601,000 for the comparable period in 1999. The decreases are primarily attributable to reduced website development costs.

Interest Income and Interest Expense. Interest income increased 1416.7% to $91,000 for the six months ended June 30, 2000, compared to $6,000 for the six months ended June 30, 1999. For the three months ended June 30, 2000, interest income increased 3600% to $55,000 compared to $1,500 for the comparable period in 1999. Interest expense increased $4,600 for the six months and $2,400 for the three months ended June 30, 2000, from $-0- for the both periods in 1999. The increase in interest income and interest expense is the result of the cash, cash equivalents, and investments used to fund the Company's increased operating costs in the current period and the incidence of debt in a prior period.

Preferred Stock Dividend. The accrued preferred stock dividend of $24,000 in June 2000 is $5,000 less than the $29,000 accrued during the same period in 1999 principally because of the reduction of the average number of Series A preferred stock outstanding in the current year.

Net Loss. Net loss for the six months ended June 30, 2000 decreased 43.2% to $581,000 from the comparable loss of $1,023,000 incurred in 1999. For the three months ended June 30, 2000, the net loss decreased 37.7% to $382,000 from the comparable loss of $613,000 in 1999. These decreases are a result of the reasons cited above.

YEAR ENDED DECEMBER 31, 1999, COMPARED TO THE YEAR ENDED DECEMBER 31, 1998.

Sales. We did not generate any operating revenues until the fourth quarter of fiscal 1999, when our reinsurance subsidiary commenced generating premium revenues and we began the sale of our service contracts.

Cost of Sales. Stamford in the quarter ended December 1999 began reinsuring contractual liability reinsurance policies from one United States carrier that is rated "A-" Excellent by A.M. Best. This reinsurance generated approximately $300,000 in premiums, of which $288,000 was unearned at December 31, 1999. Policy acquisition costs were $38,000 of which $2,000 was expensed in the current period. Losses charged to operations in the current period were $5,112 of which $5,000 is management's estimate of incurred but not reported losses at December 31, 1999. Corniche commenced the sales of the extended service contracts for new and used automotive vehicles in the last quarter of 1999, generating $11,000 in revenues of which $400 was recognized in 1999 with the balance deferred over the life of the contract. Direct costs associated with the sale of the service contracts are being recognized pro rata over the length of the contract. Since neither we nor our subsidiary generated any revenues in 1998, no meaningful comparative analysis can be made.

General and Administrative. General and administrative costs for 1999 aggregating $1,071,000 as compared to $481,000 for the 12 months ended December 31, 1998. The increase of $590,000 (122.7%) is attributable to increases in (i) advertising of $253,000 in 1999 (ii) payroll and related employment costs of $173,000 to $257,000 in 1999, (iii) website development of $98,000 to $140,000 and (iv) depreciation and amortization of $78,000 to $83,000 in 1999.

Interest Income and Interest Expense. Interest income decreased $30,000 (78.9%) from $38,000 in the 12 months ended December 31, 1998, to $8,000 for the year ended December 31, 1999. Interest expense increased from $1,000 in the 12 months ended December 31, 1998, to $65,000 for the year ended December 31, 1999. The reduction in interest income and increase in interest expense is the result of the cash, cash equivalents, and investments used to fund our increased operating costs for the year ended December 31, 1999, and the incurrence of debt of $98,000 to fund property asset additions.

Preferred Stock Dividend. The accrued preferred stock dividend of $57,000 in 1999 is $3,000 less than the $60,000 accrued during the 12 months ended December 31, 1998, principally because of the reduction of the average number of Series A preferred shares outstanding for the year ended December 31, 1999.

Net Loss. Net loss for fiscal 1999 increased $676,000 (133.9%) to $1,180,000 from the comparable loss of $504,000 incurred during the 12 months ended December 31, 1998, for the reasons cited above.

LIQUIDITY AND CAPITAL RESOURCES

We have committed to acquire computer hardware and software and to develop an Internet website for approximately $1,500,000 of which $1,000,000 has been expended through June 30, 2000. Although we are not contractually obligated to fulfill the remaining $500,000 of the project, we intend to do so over the next one to two years as and if funding permits. If successful, the project will enable us to fully utilize the Internet in the sales, advertising, marketing and collections of our warranty service contract business. There can be no assurance that we will have the funds available to fund the hardware and/or software we will require to successfully develop this project nor can there be assurance that if it is developed such project will aid in the intended results of additional revenues.

The Certificate of Designation for our Series A preferred stock states that at any time after December 1, 1999, any holder of Series A preferred stock may require us to redeem his shares of Series A preferred stock (if there are funds

with which we may legally do so) at a price of $1.00 per share. Notwithstanding the foregoing redemption provisions, if any dividends on the Series A preferred stock are past due, no shares of Series A preferred stock may be redeemed by us unless all outstanding shares of Series A preferred stock are simultaneously redeemed. The holders of Series A preferred stock may convert their Series A preferred stock into shares of our common stock at a price of $5.20 per share. At June 30, 2000, 694,971 shares of Series A preferred stock were outstanding. If the preferred stockholders do not convert their shares into common stock, and if we were required to redeem any significant number of shares of Series A preferred stock, our financial condition would be materially affected.

INFLATION

Inflation has not had a significant effect on our operations or financial position and management believes that the future effects of inflation on our operations and financial position will be insignificant.

BUSINESS

OUR STRATEGY

We are in the process of putting into place a strategic and operational business plan to establish ourselves in the warranty service contract business and the reinsurance industry.

WARRANTYSUPERSTORE.COM WEB SITE

We have developed a web site on the Internet to market warranty service contracts on automobiles and consumer products. Our web site is called WarrantySuperstore.com. Through this web site, we plan to sell our products and services directly to consumers.

We are currently offering warranty service contracts for automobiles (new and used), office equipment, consumer electronics, home appliances, lawn and garden equipment, and computers.

We intend to advertise our web site through print, radio, and television advertising and links from other Internet sites. We do not currently intend to have distribution channels for our products and services other than the Internet.

We offer our products and services in states that permit program marketers to be the obligor on warranty service contracts. Currently, this represents approximately 40 states for automobile service contracts and most states for other service contracts. We now anticipate that the obligor on warranty service contracts sold on WarrantySuperstore.com will be a third party warranty company. We are responsible for marketing, booking sales, collecting payment for warranty service contracts, reporting and paying premiums to a reinsurance carrier, and providing information to the reinsurance carrier's appointed claims administrator.

Although we will manage most functions for the warranty service contracts, we will not administer the claim functions. The reinsurance carrier has appointed a claims administrator to administer the claims functions, including payment of claims. We are in the process of establishing an electronic data processing interface with the claims administrator and to report details regarding the contracts to the reinsurance carrier.

Great American Insurance Company is providing contractual liability reinsurance covering the obligations to repair or replace the products covered by the service contracts.

We intend to provide customer analysis reports to retailers on a fee basis. We believe that it will be able to develop market research questionnaires and produce market research reports based on database information collected through sales on WarrantySuperstore.com.

We expect to use WarrantySuperstore.com to generate advertising revenues. We plan to sell banner page advertisements on its web site and to sell advertisements on a preferred client list basis.

REINSURANCE ACTIVITIES

Stamford Reinsurance Company, Ltd. ("Stamford") is a wholly owned subsidiary of ours chartered under the laws of the Cayman Islands. Stamford is licensed to conduct business as an reinsurance company in the Cayman Islands and as a reinsurance company throughout the U.S. Stamford began generating revenues in the fourth quarter of 1999.

When Stamford is sufficiently capitalized, we intend to request the reinsurance carriers providing contractual liability coverage on our warranty service contracts to share (via reinsurance) a portion of the risk with Stamford. Our ability to influence the reinsurance carriers to direct reinsurance business to Stamford will depend on our negotiating strength, which, in turn, will depend on the success of WarrantySuperstore.com. Stamford's ability to reinsure our warranty service contract business will largely depend on the primary reinsurance carriers' willingness to cede reinsurance to Stamford.

Our long-range plans for Stamford depend on Stamford's growth and development of greater financial stability. If Stamford's operations are successful, then we intend to cause Stamford to seek additional reinsurance opportunities that are not related to us. Stamford may use reinsurance brokers to identify other reinsurance opportunities. We may also consider any appropriate opportunities to sell Stamford that may arise.

DOMESTIC LICENSING

As an offshore reinsurance company, Stamford is permitted to function as a reinsurance company in the U.S. As such, it can reinsure U.S. reinsurance companies. Our long-range strategy is to identify and acquire a property and casualty reinsurance carrier that holds state licenses. If we acquire a domestic reinsurance carrier, we plan to use the carrier to serve as a specialty insurer in niche commercial markets that are under served by standard reinsurance carriers.

OTHER INFORMATION

We are party to an investment advisory agreement AIG Global Investment Corporation under which AIG Global will function as investment advisor and manager of our investment assets. AIG Global provides management services to all affiliated reinsurance companies of American International Group and other third party institutions worldwide.

EMPLOYEES

At September 30, 2000, we employed six full-time personnel.

PROPERTIES

We lease approximately 4,100 square feet of office space at 610 South Industrial Boulevard, Euless, Texas. Monthly rental under the lease is $4,175. The lease expires in July 2001. We do not own any real property.

MANAGEMENT

DIRECTORS AND EXECUTIVE OFFICERS

The following table presents information with respect to our directors and executive officers.

NAME	AGE	POSITION(S)
James J. Fyfe	45	Chairman of the Board of Directors
Robert F. Benoit	42	Director and Chief Executive Officer
Robert H. Hutchins	71	Director and President
John L. King	56	Vice President, Chief Financial Officer
David H. Boltz	42	Vice President, Chief Information Officer
Paul L. Harrison	38	Director
Joseph P. Raftery	57	Director

JAMES F. FYFE has served as a director of Corniche since May 1995. He became Chairman of the Board in April 2000. From May 1995 until May 1998, Mr. Fyfe served as Vice President and Chief Operating Officer of Corniche. Mr. Fyfe has been a director of Machine Vision Holdings, Inc., an intelligent automation technology software company, since January 1998 and of Transmedia Asia Pacific, Inc., a member benefit loyalty marketing company, since October 1999. From August 1996 to August 1997, Mr. Fyfe was an outside director of Medical Laser Technologies, Inc.

ROBERT F. BENOIT has served as Chief Executive Officer since September 1999 and Secretary since June 1999. He was Executive Vice President and Chief Operating Officer from February 1999 to September 1999. From May 1996 to February 1999, Mr. Benoit was a business analyst at Warrantech Automotive, Inc., a service contract provider, in Euless, Texas, where he served as project leader for Internet applications. From October 1995 to May 1996, Mr. Benoit served as the corporate accounting manager responsible for the non-bank subsidiaries of Shawmut Bank, National Association.

ROBERT H. HUTCHINS has served as a director and the President and Principal Financial Officer of Corniche since May 1998. Mr. Hutchins was employed by Warrantech Automotive, Inc. as National Claims Manager, from May 1995 to May 1998. Prior to joining Warrantech, he spent 45 years in the property and casualty reinsurance industry in various executive and management positions.

JOHN L. KING has served as the Vice President, Chief Financial Officer since June 2000. From January 1996 to June 2000, Mr. King was an independent business consultant. From May 1993 to December 1995, Mr. King was the Chief Financial Officer for Advacare, Inc., a health care billings company based in Dallas, Texas. From April 1989 to April 1993, Mr. King served as the business unit controller for a division of Conner Peripherals, Inc., based in Orlando, Florida.

DAVID H. BOLTZ, PH.D. has served as Vice President, Chief Information Officer since June 2000. From May of 1991 to June 2000, Dr. Bolt was an independent business consultant operating as Language Engineering Services, where he was engaged in providing business technology consulting services and information management services to numerous firms in the Dallas/Ft. Worth metroplex.

PAUL L. HARRISON was elected as a director of Corniche in June 2000. He has been a director of Transmedia Europe, Inc., a member benefit loyalty marketing company in London, England, since June 1996. Mr. Harrison was also President, Principal Financial and Accounting Officer and Secretary of Transmedia Asia Pacific, Inc., also a member benefit loyalty marketing company in London, England, until October 1999. From May 1994 until June 1997, he was a business and financial consultant to Transmedia Europe, Inc.

JOSEPH P. RAFTERY was also elected as a director of Corniche in June 2000. He has been an independent business consultant since 1998. From 1990 to 1998, Mr. Raftery was Chairman and a member of the Board of Directors and President of BankAmerica Insurance Group, Inc., a subsidiary of BankAmerica Corp. based in San Diego, California.

TERMS OF OFFICE

Members of the board are elected at each annual meeting of stockholders, to serve one year terms or until their successors are elected and qualified or their earlier resignation or removal. Our executive officers are elected annually by the board and serve at the discretion of the board until their successors are elected and qualified or their earlier resignation or removal.

BOARD COMMITTEES

Our Board of Directors has established two committees: the Audit Committee, and the Compensation Committee.

The Audit Committee is responsible for recommending to the Board of Directors the engagement of our independent auditors and reviewing with the independent auditors the scope and results of the audits, our internal accounting controls, audit practices, and the professional services furnished by the independent auditors. The current members of the Audit Committee are Messrs. Fyfe, Harrison and Raftery.

The Compensation Committee is responsible for reviewing and approving all compensation arrangements for our senior executive officers. The current members of the Compensation Committee are Messrs. Benoit, Harrison and Raftery.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Our Board of Directors established the Compensation Committee in June 2000. Prior to establishing the Compensation Committee, our Board of Directors as a whole performed the functions delegated to the Compensation Committee. No current or former member of our Compensation Committee has served as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our Board of Directors or Compensation Committee.

COMPENSATION OF DIRECTORS

Pursuant to the 1998 Independent Director Compensation Plan, each director who is not an officer or employee of Corniche is entitled to receive compensation of $2,500 per calendar quarter plus 500 shares of common stock per calendar quarter of board service, in addition to reimbursement of travel expenses. Outside directors are entitled to be compensated for committee service at $500 per calendar quarter plus 125 shares of common stock per calendar quarter. No directors' fees are payable to Corniche employees who serve as directors. Corniche deferred the payment of directors' fees for service during the year ended December 31, 1999.

All directors are entitled to receive options to purchase 1,500 shares of common stock each May under Corniche's 1992 Stock Option Plan for Directors.

EXECUTIVE COMPENSATION

In February 1998, Corniche changed its fiscal year end from March 31 to December 31. Consequently, the executive compensation information presented below relates to the period from April 1, 1998, through December 31, 1999. Mr. Hutchins, Corniche's President and former Principal Financial Officer, was Corniche's only executive officer as of December 31, 1998, who received compensation from Corniche during the nine-month period then ended. Mr. Hutchins and Robert F. Benoit were Corniche's only executive officers during 1999. Except for Mr. Hutchins' service in 1998, neither of them was an employee of Corniche during any prior fiscal year. The table below sets forth information concerning the compensation of Hutchins and Benoit for services in all capacities to Corniche for the nine months ended December 31, 1998, and the year ended December 31, 1999.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	ANNUAL COMPENSATION YEAR	SALARY	OTHER(2)
Robert H. Hutchins	1997	--	--
President and Principal Financial Officer	1998(1)	$49,038	$ 3,200
	1999	$85,000	$ 4,000
Robert A. Benoit	1997	--	--
Chief Executive Officer, Executive Vice	1998	--	--
President, and Secretary	1999(3)	$62,019	$ 4,000

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(1) From May 18, 1998, when Mr. Hutchins first joined Corniche, to December 31, 1998.

(2) Represents an automobile allowance.

(3) From February 15, 1999, when Mr. Benoit first joined Corniche, to December 31, 1999.

OPTION/SAR GRANTS IN LAST FISCAL YEAR

The following table sets forth information concerning grants of stock options to the named executive officers during 1999. All options granted to executive officers in the last fiscal year were granted under the 1998 Employees Incentive Stock Option Plan. The percent of the total options set forth below is based on an aggregate of 175,000 options granted to one employee during the year ended December 31, 1999. All options were granted at the fair market value on the date of grant as determined by our board of directors and are immediately exercisable.

The 5% and 10% assumed annual rates of compounded stock price appreciation are mandated by the rules of the Securities and Exchange Commission. There can be no assurance that the actual stock price appreciation over the 10-year option term will be at the assumed 5% and 10% levels or at any other defined level. Unless the market price of the common stock appreciates over the option term, no value will be realized from the option grants. The potential realizable value is calculated by assuming that the fair market value of the common stock on the date of grant of the options appreciates over the exercise price at the indicated rate for the entire term of the option and that the option is exercised at the exercise price and the resulting shares sold on the last day at the appreciated price.

	INDIVIDUAL GRANTS				POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM	
	NUMBER OF SECURITIES UNDERLYING OPTIONS/SARS GRANTED	% OF TOTAL OPTIONS/SARS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE (PER SHARE)	EXPIRATION DATE	5%	10%
Robert F. Benoit	75,000	43%	$1.097	2/15/2009	$105,000	$132,500
	100,000	57%	$1.000	9/27/2009	$127,900	$161,000

AGGREGATE OPTION EXERCISES IN 1999 AND FISCAL YEAR-END OPTION VALUES

None of the named executive officers exercised any stock options during 1999.

The following table sets forth as of December 31, 1999, for each of the named executive officers:

- the total number of unexercised options to purchase our common stock; and
- the value of options that were in-the-money at December 31, 1999.

NAME	NUMBER OF SECURITIES UNDERLYING-UNEXERCISED OPTIONS AT FISCAL YEAR-END (EXERCISABLE/UNEXERCISABLE)	VALUE OF UNEXERCISED IN-THE-MONEY-OPTIONS AT FISCAL YEAR-END (EXERCISABLE/UNEXERCISABLE)
Robert F. Benoit.....	175,000/-	-/-

BENEFIT PLANS

1992 STOCK OPTION PLAN

In April 1992, Corniche adopted the 1992 Stock Option Plan to provide for the granting of options to directors. According to the terms of this plan, each director is granted options to purchase 1,500 shares each year. The maximum amount of Corniche's common stock that may be granted under this plan is 20,000 shares. Options are exercisable at the fair market value of the common stock on the date of grant and have five-year terms.

1998 EMPLOYEE INCENTIVE STOCK OPTION PLAN

Under the 1998 Plan, the maximum aggregate number of shares which may be issued under options is 3,000,000 shares of common stock. The aggregate fair market value (determined at the time the option is granted) of the shares for which incentive stock options are exercisable for the first time under the terms of the 1998 Plan by any eligible employee during any calendar year cannot exceed $100,000. The option exercise price of each option is 100% of the fair market value of the underlying stock on the date the options are granted, except that no option will be granted to any employee who, at the time the option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Corporation or any subsidiary unless (a) at the time the options are granted, the option exercise price is at least 110% of the fair market value of the shares of common stock subject to the options and (b) the option by its terms is not exercisable after the fifth anniversary of the date on which the option is granted.

The 1998 Plan is administered by the Compensation Committee of the Board of Directors. In 1999, options to acquire 100,000 common shares at $1.00 per share and options to acquire 75,000 common shares at $1.097 were granted to an officer. Additionally, an option to acquire 25,000 common shares at $0.6875 per share was granted to a consultant. In June 2000, options to acquire 100,000 common shares at $1.88 per share and options to acquire 100,000 common shares at $1.94 per share were granted to two officers.

EMPLOYMENT AGREEMENTS

ROBERT F. BENOIT

Effective June 26, 2000, we entered into an employment agreement with Mr. Benoit. This employment agreement has a three-year term and provides that Mr. Benoit receive a base salary of $100,000 per year. Mr. Benoit also receives a $6,000 automobile allowance per year. Additionally, Mr. Benoit is eligible to receive a performance bonus at the sole discretion of our board of directors. Mr. Benoit is also entitled to reimbursement for business or entertainment expenses and other expenses and he may participate in all employee benefit plans, severance plans, health insurance plans, deferred compensation plans, incentive plans and other plans as may be available to our other employees, subject to the terms of those programs. If we terminate Mr. Benoit's employment without cause or he resigns for good reason, as both terms are defined in his employment agreement, we will pay Mr. Benoit a severance payment equal to 18 months base salary and performance bonus for the term of his employment agreement and Mr. Benoit will retain all rights to his vested stock options, among other things described in his employment agreement. Mr. Benoit has agreed, pursuant to his employment agreement, not to compete with us during his employment and for a period of two years following termination of his employment. Further, Mr. Benoit has agreed not to disclose any of our confidential information at any time during or subsequent to his employment with us, other than pursuant to our policies regarding disclosure. In addition, Mr. Benoit has agreed not to solicit our employees for a period of 18 months following termination of his agreement.

DAVID H. BOLTZ

Effective June 26, 2000, we entered into an employment agreement with Mr. Boltz. This employment agreement has a three-year term and provides that Mr. Boltz receive a base salary of $75,000 per year. Additionally, Mr. Boltz is eligible to receive a performance bonus at the sole discretion of our board of directors. Mr. Boltz is also entitled to reimbursement for business or entertainment expenses and other expenses and he may participate in all employee benefit plans, severance plans, health insurance plans, deferred compensation plans, incentive plans and other plans as may be available to our other employees, subject to the terms of those programs. If we terminate Mr. Boltz's employment without cause or he resigns for good reason, as both terms are defined in his employment agreement, we will pay Mr. Boltz a severance payment equal to 18 months base salary and performance bonus for the term of his employment agreement and Mr. Boltz will retain all rights to his vested stock options, among other things described in his employment agreement. Mr. Boltz has agreed, pursuant to his employment agreement, not to compete with us during his employment and for a period of two years following termination of his employment. Further, Mr. Boltz has agreed not to disclose any of our confidential information at any time during or subsequent to his employment with us, other than pursuant to our policies regarding disclosure. In addition, Mr. Boltz has agreed not to solicit our employees for a period of 18 months following termination of his agreement.

JOHN L. KING

Effective June 26, 2000, we entered into an employment agreement with Mr. King. This employment agreement has a three-year term and provides that Mr. King receive a base salary of $75,000 per year. Additionally, Mr. King is eligible to receive a performance bonus at the sole discretion of our board of directors. Mr. King is also entitled to reimbursement for business or entertainment expenses and other expenses and he may participate in all employee benefit plans, severance plans, health insurance plans, deferred compensation plans, incentive plans and other plans as may be available to our other employees, subject to the terms of those programs. If we terminate Mr. King's employment without cause or he resigns for good reason, as both terms are defined in his employment agreement, we will pay Mr. King a severance payment equal to 18 months base salary and performance bonus for the term of his employment agreement and Mr. King will retain all rights to his vested stock options, among other things described in his employment agreement. Mr. King has agreed, pursuant to his employment agreement, not to compete with us during his employment and for a period of two years following termination of his employment. Further, Mr. King has agreed not to disclose any of our confidential information at any time during or subsequent to his employment with us, other than pursuant to our policies regarding disclosure. In addition, Mr. King has agreed not to solicit our employees for a period of 18 months following termination of his agreement.

RELATED PARTY TRANSACTIONS

Other than the compensation and other arrangements described in "Management," and the transactions described below, since January 1, 1997 there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we were or will be a party:

- in which the amount involved exceeded or will exceed $60,000; and
- in which any director, executive officer, holder of more than 5% or our common stock on an as-converted basis or any member of their immediate family had or will have a direct or indirect material interest.

We believe that each of the transactions described below were on terms no less favorable than could have been obtained from unaffiliated third parties. All future transactions between Corniche and any director or executive officer will be subject to approval by a majority of the disinterested members of our board of directors.

STOCK SALES TO DIRECTORS, OFFICERS AND 5% STOCKHOLDERS

On March 4, 1998, we entered into a Stock Purchase Agreement with Joel San Antonio, Robert H. Hutchins (a director and President of Corniche) and certain other individuals acquiring an aggregate of 765,000 shares of a Series B convertible redeemable preferred stock, par value $0.01 per share. Mr. San Antonio purchased 710,000 shares of Series B convertible redeemable preferred stock at $0.10 per share, for total consideration of $71,000 and Mr. Hutchins purchased 15,000 shares of Series B convertible redeemable preferred stock at $0.10 per share, for total consideration of $1,500. Assuming the full conversion of the Series B convertible preferred stock into common stock, Mr. San Antonio is the beneficial owner of 4,852,500 shares of common stock, over 20% of the voting power of our voting stock.

AGREEMENTS WITH DIRECTORS, EXECUTIVE OFFICERS AND 5% STOCKHOLDERS

From May 1998 to September 1999, Mr. San Antonio served as Chairman of the Board of Directors of Corniche. Mr. San Antonio is the Chairman of the Board and Chief Executive Officer of Warrantech Corporation. Warrantech is the claims administrator for our warranty service contracts. Under this arrangement we report all claims to Warrantech and pay $25 per claim to Warrantech.

STOCK OPTIONS GRANTED TO DIRECTORS, EXECUTIVE OFFICERS AND 5% STOCKHOLDERS

Since 1997, we have granted the following options to purchase our common stock to our directors, executive officers and stockholders who beneficially own 5% or more of our common stock. In 1999, options to acquire 100,000 common shares at $1.00 per share and options to acquire 75,000 common shares at $1.097 per share were granted to Robert F. Benoit, a director and Chief Executive Officer of Corniche. In May 1997, James J. Fyfe (Chairman of the Board of Directors of Corniche) was granted an option to acquire 1,500 common shares at $0.3125 per share under the 1992 Plan. In June 2000, John L. King (Vice President and Chief Financial Officer of Corniche) was granted options to acquire 100,000 common shares at $1.88 per share and David H. Boltz (Vice President and Chief Information Officer) was granted options to acquire 100,000 common shares at $1.94 per share.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table shows the number and percentage of outstanding shares of Corniche's common stock beneficially owned as of September 30, 2000, by (i) each of our directors and executive officers, (ii) all of our directors and officers as a group, (iii) all persons that we know to be beneficial owners of 5% or more of any class of our voting capital stock, and (iv) each selling stockholder. Unless otherwise noted, each person listed in the table has sole voting and investment power with respect to the shares indicated as beneficially owned by that person. The table assumes that everyone listed below has converted all of their shares of convertible preferred stock into shares of common stock. For a description of Corniche's convertible preferred stock, see "Description of Capital Stock."

NAME AND ADDRESS OF BENEFICIAL OWNER	COMMON SHARES OWNED BEFORE OFFERING		COMMON SHARES TO BE SOLD	COMMON SHARES OWNED AFTER OFFERING (1)	
	AMOUNT	% OF CLASS		AMOUNT	% OF CLASS
Robert F. Benoit	5,000	*	5,000	--	--
James J. Fyfe(2)(3)	107,500	*	107,500	--	--
Paul L. Harrison	--	--	--	--	--
Robert H. Hutchins(2)(4)	150,000	*	150,000	--	--
Joseph P. Raftery	--	--	--	--	--
All Officers and Directors as a Group (5 Persons)	262,500	1.1%	262,500	--	--
Glen Aber(2)	150,000	*	150,000	--	--
Naomi Anne Aboud	40,000	*	40,000	--	--
Adler Corporation PTY, Ltd.	937,500	4.1%	937,500	--	--
Advanced Balanced International Investment Strategies N.V.	625,000	2.7%	625,000	--	--
Placido Amendolia	20,000	*	20,000	--	--
Balanced International Investment Strategies (BIIS) N.V.	625,000	2.7%	625,000	--	--
Michael Barrasso	60,000	*	60,000	--	--
Dr. Richard Berger	20,000	*	20,000	--	--
Anthony J. Blazej	2,500	*	2,500	--	--
Dr. Craig Bloom	10,000	*	10,000	--	--
William J. Bozsnyak	5,000	*	5,000	--	--
William J. Bozsnyak & Beverly J. Brook-Bozsnyak	30,000	*	30,000	--	--
Cappadocia Limited(2)	100,000	*	100,000	--	--
Paul M. Cervino	20,000	*	20,000	--	--
Jan R. Culp	10,000	*	10,000	--	--
Andrew Darmstadter	20,000	*	20,000	--	--
Herbert P. Decordova	20,000	*	20,000	--	--
Roland A. Desilva	20,000	*	20,000	--	--
Dr. C. Durbak	30,000	*	30,000	--	--
George N. Faris	27,778	*	27,778	--	--
Michael Edward Fitzgerald	80,000	*	80,000	--	--
Robert Franco	12,500	*	12,500	--	--
Dominick Fusco	2,500	*	2,500	--	--

NAME AND ADDRESS OF BENEFICIAL OWNER	COMMON SHARES OWNED BEFORE OFFERING		COMMON SHARES TO BE SOLD	COMMON SHARES OWNED AFTER OFFERING (1)	
	AMOUNT	% OF CLASS		AMOUNT	% OF CLASS
PICTEC & CIE(5)	2,925,000	13%	2,925,000	--	--
General & Private Funds Management PTY, Ltd.	10,000	*	10,000	--	--
Ronald F. Glime(2)	502,500	2.2%	502,500	--	--
Robert C. Gmuer	100,000	*	100,000	--	--
Lou Hammer	2,500	*	2,500	--	--
Hamo PTY, Ltd.	50,000	*	50,000	--	--
Headline Securities, Ltd.	625,000	2.7%	625,000	--	--
Maryellen Gussack-Hochstein	10,000	*	10,000	--	--
Mark Ian Horrocks	312,500	1.3%	312,500	--	--
A.R. Kerr	62,500	*	62,500	--	--
Justin and Sharen Kolnick	10,000	*	10,000	--	--
Joseph Longo	10,000	*	10,000	--	--
Edward J. Madden	11,111	*	11,111	--	--
Connor Michael Maloney	105,000	*	105,000	--	--
Peter & Alisa Metzner, Trustees, Metzner Family Trust	15,000	*	15,000	--	--
Frontier Investments Limited(2)	1,800,000	8%	1,800,000	--	--
Steven Miner	2,500	*	2,500	--	--
OIC Nominees Limited(2)	100,000	*	100,000	--	--
Keith Parker	58,056	*	58,056	--	--
Colin Pomfret	20,000	*	20,000	--	--
Pritdown PTY, Ltd.	40,000	*	40,000	--	--
Alex Pusco	312,500	1.3%	312,500	--	--
Peter and Margaret Ranieri	10,000	*	10,000	--	--
Michael Salpeter(2)	500,000	2.2%	500,000	--	--
Joel San Antonio(2)(6)	4,852,500	21.5%	4,852,500	--	--
Mark Seigerman	2,500	*	2,500	--	--
Edward Spindel	55,556	*	55,556	--	--
Michael R. Spindel	55,556	*	55,556	--	--
Charles G. Stiene	2,500	*	2,500	--	--
Larry Targan	10,000	*	10,000	--	--
Bradley Vidgeon	43,750	*	43,750	--	--
Bradley D. Weber	10,000	*	10,000	--	--
Joel Weissman	10,000	*	10,000	--	--
Grant White	50,000	*	50,000	--	--
Sam Wolkowicki	27,778	*	27,778	--	--

- ----------

* less than 1%.

(1) For the purposes of this table, it is assumed that all common shares to be registered will be sold in this offering.

(2) All of the shares included in the table represent common stock issuable upon conversion of Series B convertible redeemable preferred stock.

(3) Includes: 3,000 shares of common stock issuable upon exercise of currently exercisable stock options; and 100,000 shares issuable upon conversion of 10,000 shares of Series B convertible redeemable preferred stock.

(4) Includes: 150,000 shares issuable upon conversion of 15,000 shares of Series B convertible redeemable preferred stock held by Mr. Hutchins and his wife as co-trustees of a living trust for the benefit of their children.

(5) The address of PICTEC & CIE is B.D. Georges-Favon 29, Geneva 1204, Switzerland.

(6) Mr. San Antonio's address is c/o Corniche Group Incorporated, 610 South Industrial Boulevard, Euless, Texas 76040. According to Amendment No. 2 to Schedule 13D filed by Mr. San Antonio in August 2000, Mr. San Antonio has sole power to vote and to direct the disposition of 4,850,000 of the shares included in the table. He shares voting and dispositive power with respect to 1,100,000 shares included in the table, which are issued to his wife, children, mother, and brother.

DESCRIPTION OF CAPITAL STOCK

GENERAL

The authorized capital stock of Corniche consists of 75,000,000 shares of common stock, $0.001 par value per share, 14,222,971 of which are outstanding. As of September 30, 2000, there were 694,974 shares of Series A convertible preferred stock outstanding, and 825,000 shares of Series B convertible redeemable preferred stock outstanding. The following statements are brief summaries of certain provisions relating to Corniche's capital stock.

SERIES A CONVERTIBLE PREFERRED STOCK

The Series A preferred stock has a liquidation value of $1 per share, is nonvoting and convertible into common stock at a price of $5.20 per share. Holders of Series A preferred stock are entitled to receive cumulative cash dividends of $0.07 per share, per year, payable semi-annually. Corniche can call the Series A preferred stock at a price of $1.05 per share, plus accrued and unpaid dividends. In addition, if the closing price of our common stock exceeds $13.80 per share for any 20 consecutive trading days, we can call the Series A preferred stock at a price equal to $0.01 per share, plus accrued and unpaid dividends. The Certificate of Designation for the Series A preferred stock also states that at any time after December 1, 1999, the holders of the Series A preferred stock may require us to redeem their shares of Series A preferred stock (if there are funds with which we may do so) at a price of $1.00 per share. Notwithstanding any of the foregoing redemption provisions, if any dividends on the Series A preferred stock are past due, we may not redeem any shares of Series A preferred stock unless all outstanding shares of Series A preferred stock are simultaneously redeemed.

SERIES B CONVERTIBLE REDEEMABLE PREFERRED STOCK

The Series B preferred stock carries a zero coupon and each share of the Series B preferred stock is convertible into 10 shares of our common stock. The holder of a share of the Series B preferred stock is entitled to ten times any dividends paid on the common stock, as well as 10 votes per share, voting as one class with the common stock.

The holder of each share of Series B preferred stock has the right, at the holder's option (but not if the share is called for redemption), to convert the share into 10 fully paid and non-assessable shares of common stock. The conversion rate is subject to adjustment as stipulated in the Series B Stock Purchase Agreement. Upon liquidation, the Series B Stock would be junior to our Series A preferred stock and would share ratably with the common stock with respect to liquidating distributions.

COMMON STOCK

Holders of common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders. Cumulative voting is not permitted with respect to the election of directors, with the result that the holders of more than 50% of the shares voted in the election of directors can elect all of the directors. Holders of common stock are entitled to receive ratably such dividends, if any, as may be declared by the board of directors of Corniche out of funds legally available therefor. Upon the liquidation, dissolution or winding up of Corniche, the holders of common stock are entitled to receive ratably the net assets of Corniche after payment of all debts and liabilities and liquidation preferences of outstanding shares of preferred stock. Holders of common stock have no preemptive, subscription, redemption or conversion rights.

WARRANTS

As of September 30, 2000, we have issued warrants to purchase 79,000 shares of common stock in connection with certain financings and to certain other persons who provided services to Corniche. The exercise prices of these warrants range from $3.20 to $27.50.

DELAWARE ANTI-TAKEOVER LAW AND CERTAIN CHARTER AND BYLAW PROVISIONS

Certain provisions of Delaware law and our amended certificate of incorporation and amended bylaws could make our acquisition, by means of a tender offer, a proxy contest or otherwise, more difficult and could also make the removal of incumbent officers and directors more difficult. These provisions, summarized below, are expected to discourage certain types of coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to negotiate with us first. We believe that the benefits of increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging such proposals because, among other things, negotiation of such proposals could result in an improvement of their terms.

SECTION 203

We are subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, the statute prohibits us from engaging in a business combination with an interested stockholder for a period of three years after the date that the stockholder became an interested stockholder, unless:

- prior to the date that the stockholder became an interested stockholder, the transaction or business combination that resulted in the stockholder becoming an interested stockholder is approved by the Board of Directors;

- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owns at least 85% of our outstanding voting stock at the time the transaction commenced, excluding those shares owned by persons who are directors and also officers, and employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- on or after the date the stockholder became an interested stockholder, the business combination is approved by our Board of Directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of our outstanding voting stock that is not owned by the interested stockholder.

Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the stockholder. Subject to certain exceptions, an "interested stockholder" is any entity or person beneficially owning 15% or more of our voting stock and any entity or person affiliated with or controlling or controlled by that entity or person.

LIMITATIONS ON DIRECTORS' AND OFFICERS' LIABILITY AND INDEMNIFICATION

Our amended certificate of incorporation and amended bylaws also provide that we shall have the power to indemnify our directors, officers, employees and other agents to the fullest extent authorized by the Delaware General Corporation Law. As a result of these provisions, we and our stockholders may be unable to obtain monetary damages from a director for breach of his or her duty of care.

We believe that the provisions in our amended certificate of incorporation and amended bylaws are necessary to attract and retain qualified persons as directors and officers.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the common stock is Continental Stock Transfer & Trust Company.

LEGAL MATTERS

Certain legal matters in connection with the sale of the shares of common stock offered hereby will be passed upon for Corniche by Haynes and Boone, LLP.

EXPERTS

The consolidated financial statements of Corniche at December 31, 1999 and for the year then ended appearing in this prospectus and registration statement have been audited by Weinick Sanders Leventhal & Co., LLP ("Weinick"), independent auditors, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of Corniche at March 31, 1997 and 1998 and for the fiscal years then ended appearing in this prospectus and registration statement have been audited by Simontacchi & Company, P.A. ("Simontacchi"), independent auditors, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

Simontacchi's report on Corniche's financial statements for the fiscal years ended March 31, 1997 expressed an unqualified opinion on those financial statements based upon their audits, but included paragraphs noting a "substantial doubt about Corniche's ability to continue as a going concern" based upon the several matters summarized in such reports.

On August 12, 1998, Corniche and Simontacchi terminated their client-auditor relationship. The reports of Simontacchi on the financial statements of Corniche for the prior two fiscal years contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles. Corniche's Board of Directors participated in and approved the decision to change the independent accountants. In connection with its audits for the prior two fiscal years and through August 12, 1998, there were no disagreements with Simontacchi on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Simontacchi, would have caused Simontacchi to make reference thereto in its report on the financial statements for such years. No "reportable events" as describe under Item 304(a)(1)(v) of Regulation S-K occurred during the prior two fiscal years.

Corniche simultaneously engaged Weinick as its new independent accountants as of August 12, 1998. Such appointment was approved by Corniche's Board of Directors. Corniche had not consulted with Weinick regarding any matters or events set forth in Item 304(a)(2)(i) and (ii) of Regulation S-K.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

The prospectus constitutes a part of the registration statement on Form S-1, together with all amendments, supplements, schedules and exhibits to the registration statement, referred to as the registration statement, which we have filed with the Securities and Exchange Commission with respect to the common stock offered in this prospectus. This prospectus does not contain all of the information in the registration statement. For further information about us and our securities, see the registration statement and its exhibits. This prospectus contains a description of the material terms and features of some material contracts, reports or exhibits to the registration statement required to be disclosed. However, as the descriptions are summaries of the contracts, reports or exhibits, we urge you to refer to the copy of each material contract, report and exhibit attached to the registration statement. Copies of the registration statement and the exhibits to the registration statement, as well as the periodic reports, proxy statements and other information we will file with the SEC, may be examined without charge in the Public Reference Section of the Securities and Exchange Commission, 450 Fifth Street, N.W. Room 1024, Washington, DC 20549, and the Securities and Exchange Commission's regional offices located at 500 West Madison Street, Suite 1400, Chicago, IL 60661, and 7 World Trade Center, 13th Floor, New York, NY 10048 or on the Internet at http://www.sec.gov. You can get information about the operation of the Public Reference Room by calling the Securities and Exchange Commission at 1-800-SEC-0330. Copies of all or a portion of the registration statement can be obtained from the Public Reference Section of the Securities and Exchange Commission upon payment of prescribed fees. In addition, the Securities and Exchange Commission maintains a web site which provides online access to periodic reports, proxy and information statements

and other information regarding registrants that file electronically with the Securities and Exchange Commission at the address http://www.sec.gov.

We are subject to the information and reporting requirements of the Securities Exchange Act of 1934 and file periodic reports, proxy statements and other information with the Securities and Exchange Commission. We send an annual report to stockholders and any additional reports or statements required by the Securities and Exchange Commission. The annual report to stockholders contains financial information that has been examined and reported on, with an opinion expressed by an independent public accountant.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

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[WEINICK SANDERS LEVENTHAL & CO., LLP LETTERHEAD]

INDEPENDENT AUDITOR'S REPORT

To the Stockholders and Board of Directors
Corniche Group Incorporated

We have audited the accompanying consolidated balance sheets of Corniche Group Incorporated and Subsidiary as at December 31, 1999 and 1998, and the related statements of operations, redeemable preferred stock, common stock, other stockholders' equity and accumulated deficit, and cash flows for the year ended December 31, 1999 and for the nine months ended December 31, 1998. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Corniche Group Incorporated and Subsidiary as at December 31, 1999 and 1998, and the results of their operations and their cash flows for the year ended December 31, 1999 and for the nine months ended December 31, 1998, in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statements schedules for the year ended December 31, 1999 and for the nine months ended December 31, 1998, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ WEINICK SANDERS LEVENTHAL & CO., LLP

New York, New York
January 28, 2000 (Except as to a portion of Note 8 (b) to which the date is February 15, 2000)

[SIMONTACCHI & COMPANY, LLP LETTERHEAD]

INDEPENDENT AUDITOR'S REPORT

To the Stockholders and Board of Directors
Corniche Group Incorporated

We have audited the accompanying statements of operations, redeemable preferred stock, common stock, other stockholders' equity and accumulated deficit, and cash flows of Corniche Group Incorporated for the year ended March 31, 1998. Our audit also included the financial statement schedule for the year ended March 31, 1998. These financial statements and the financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of the operations and the cash flows of Corniche Group Incorporated for the year ended March 31, 1998 in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedule for the year ended March 31, 1998, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ SIMONTACCHI & COMPANY, LLP

Fairfield, New Jersey
July 10, 1998

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

	December 31, 1999	December 31, 1998
Current assets:		
Cash and equivalents	$ 1,639,473	$ 206,313
Marketable securities	2,733,319	628,175
Prepaid expenses	71,622	--
Total current assets	4,444,414	834,488
Property and equipment, net	655,002	40,781
Deferred acquisition costs	41,946	--
License, net of accumulated amortization	16,777	17,997
Other assets	12,525	12,525
	$ 5,170,664	$ 905,791
LIABILITIES, STOCKHOLDERS' EQUITY AND (CAPITAL DEFICIENCY)		
Current liabilities:		
Dividends payable - preferred stock	$ 288,334	$ 236,981
Accounts payable, accrued expenses and other current liabilities	561,870	133,941
Current portion of long-term debt	22,662	4,649
Total current liabilities	872,866	375,571
Unearned revenues	298,801	--
Long-term debt	76,591	9,262
Series A Convertible Preferred Stock:		
Series A $0.07 cumulative convertible preferred stock - stated value - $1.00 per share, authorized - 1,000,000 shares, outstanding - 810,054 shares at December 31, 1999 and 828,765 shares at December 31, 1998	810,054	828,765
Convertible Redeemable Preferred Stock, Common Stock, Other Stockholders' Equity and (Accumulated Deficit):		
Preferred stock - authorized - 5,000,000 shares, Series B convertible redeemable preferred stock, $.01 par value Authorized issued and outstanding - 825,000 shares	8,250	8,250
Common stock, $.001 par value, authorized - 30,000,000 shares Issued and outstanding - 12,513,127 at December 31, 1999	12,513	--
- 6,369,968 at December 31, 1998	--	6,370
Additional paid-in capital	7,421,944	2,838,420
Accumulated deficit	(4,330,355)	(3,160,847)
Total convertible redeemable preferred stock, common stock, other stockholders' equity and (accumulated deficit)	3,112,352	(307,807)
	$ 5,170,664	$ 905,791

See accompanying notes to financial statements.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

STATEMENT OF OPERATIONS

	For the Year Ended December 31, 1999	For the Nine Months Ended December 31, 1998	For the Year Ended March 31, 1998
	(Consolidated)	(Consolidated)	
Earned revenues	$ 12,854	$ --	$ --
Direct costs	7,557	--	--
Gross profit	5,297	--	--
General and administrative expenses	1,060,668	428,157	221,602
Operating loss	(1,055,371)	(428,157)	(221,602)
Interest income (expense), net	(56,965)	25,206	17,804
Net loss before preferred dividend	(1,112,336)	(402,951)	(203,798)
Preferred dividend	(57,172)	(44,642)	(60,067)
Net loss	$ (1,169,508)	$ (447,593)	$ (263,865)
Net loss per share of common stock	$ (0.17)	$ (0.07)	$ (0.05)
Weight average number of common shares outstanding	6,905,073	6,367,015	5,165,272

See accompanying notes to financial statements.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

STATEMENTS OF CONVERTIBLE REDEEMABLE PREFERRED STOCK, COMMON STOCK, OTHER STOCKHOLDERS' EQUITY AND ACCUMULATED DEFICIT

FOR THE YEAR ENDED DECEMBER 31, 1999 AND
FOR THE NINE MONTHS ENDED DECEMBER 31, 1998 AND
FOR THE YEAR ENDED MARCH 31, 1998

	Series B Convertible Preferred Stock		Common Stock		Additional Paid-In
	Shares	Amount	Shares	Amount	Capital
Balance at April 1, 1997	--	--	2,630,378	$ 2,630	$ 1,090,493
Issuance of common stock for cash, net of related costs of $184,500	--	--	3,940,000	3,940	1,781,560
Retirement of treasury stock	--	--	(218,100)	(218)	(204,492)
Conversion of Series A convertible preferred stock into common stock	--	--	2,953	3	15,356
Series A convertible preferred stock dividend	--	--	--	--	--
Net loss before preferred stock dividend	--	--	--	--	--
Balance at March 31, 1998	--	--	6,355,231	6,355	2,682,917
Adjustments to common stock	--	--	2,212	2	(2)
Issuance of Series B convertible preferred stock for cash	765,000	7,650	--	--	68,850
Issuance of Series B convertible preferred stock for services rendered	60,000	600	--	--	5,400
Conversion of Series A convertible preferred stock into common stock	--	--	12,525	13	81,255
Series A convertible preferred stock dividend	--	--	--	--	--
Net loss before preferred stock dividend	--	--	--	--	--
Balance at December 31, 1998	825,000	8,250	6,369,968	6,370	2,838,420
Issuance of common stock for interest and services rendered	--	--	55,000	55	57,664
Issuance of common stock for indebtedness	--	--	208,738	209	252,973
Issuance of common stock for cash, net of offering costs	--	--	5,875,835	5,876	4,248,360
Conversion of Series A convertible preferred stock into common stock	--	--	3,586	3	24,527
Series A convertible stock dividends	--	--	--	--	--
Net loss before preferred stock dividend	--	--	--	--	--
Balance at December 31, 1999	825,000	$ 8,250	12,513,127	$ 12,513	$ 7,421,944

	Treasury Stock		Accumulated	
	Shares	Amount	Deficit	Total
Balance at April 1, 1997	(218,100)	$(204,710)	$(2,449,389)	$(1,560,976)
Issuance of common stock for cash, net of related costs of $184,500	--	--	--	1,785,500
Retirement of treasury stock	218,100	204,710	--	--
Conversion of Series A convertible preferred stock into common stock	--	--	--	15,359
Series A convertible preferred stock dividend	--	--	(60,067)	(60,067)
Net loss before preferred stock dividend	--	--	(203,798)	(203,798)
Balance at March 31, 1998	--	--	(2,713,254)	(23,982)
Adjustments to common stock	--	--	--	--
Issuance of Series B convertible preferred stock for cash	--	--	--	76,500
Issuance of Series B convertible preferred stock for services rendered	--	--	--	6,000
Conversion of Series A convertible preferred stock into common stock	--	--	--	81,268
Series A convertible preferred stock dividend	--	--	(44,642)	(44,642)
Net loss before preferred stock dividend	--	--	(402,951)	(402,951)

Balance at December 31, 1998	--	--	(3,160,847)	(307,807)
Issuance of common stock for interest and services rendered	--	--	--	57,719
Issuance of common stock for indebtedness	--	--	--	253,182
Issuance of common stock for cash, net of offering costs	--	--	--	4,254,236
Conversion of Series A convertible preferred stock into common stock	--	--	--	24,530
Series A convertible stock dividends	--	--	(57,172)	(57,172)
Net loss before preferred stock dividend	--	--	(1,112,336)	(1,112,336)
Balance at December 31, 1999	--	$ --	$(4,330,355)	$ 3,112,352

See accompanying notes to financial statements.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

STATEMENTS OF CASH FLOWS

	For the Year Ended December 31, 1999 (Consolidated)	For the Nine Months Ended December 31, 1998 (Consolidated)	For the Year Ended March 31, 1998
Cash flows from operating activities:			
Net loss	$ (1,169,508)	$ (447,593)	$ (263,865)
Adjustments to reconcile net loss to net cash used in operating activities:			
Common shares and Series B preferred shares issued for interest expense and for services rendered	57,719	6,000	--
Series A preferred stock dividends	57,172	44,642	60,067
Depreciation and amortization	82,338	3,435	388
Unearned revenues	298,801	--	--
Increase (decrease) in cash flows as a result of changes in asset and liability account balances net of effects from purchase of Stamford Insurance Company, Ltd.:			
Deferred acquisition costs	(41,946)	--	--
Prepaid expenses and other receivables	(71,622)	179	821
Other assets	--	(12,525)	--
Accounts payable, accrued expenses and other current liabilities	422,929	82,729	(67,014)
Total adjustments	805,391	124,460	(5,738)
Net cash used in operating activities	(364,117)	(323,133)	(269,603)
Cash flows from investing activities:			
Investment in marketable securities	(2,105,144)	(628,175)	--
Acquisition of property assets	(442,157)	(25,745)	--
Acquisition of subsidiary	--	(37,000)	--
Net cash used in investment activities	(2,547,301)	(690,920)	--
Cash flows from financing activities:			
Net proceeds from issuance of capital stock	4,254,236	76,500	1,785,500
Net proceeds from long-term debt	89,264	--	--
Payments of capital lease obligations	(3,922)	(3,995)	--
Net repayments of notes payable	--	--	(400,000)
Net cash provided by financing activities	4,339,578	72,505	1,385,500
Net increase (decrease) in cash	1,428,160	(941,548)	1,115,897
Cash balance acquired with purchase of subsidiary	--	18,797	--
Cash and cash equivalents at beginning of period	206,313	1,129,064	13,167
Cash and cash equivalents at end of period	$ 1,634,473	$ 206,313	$ 1,129,064

See accompanying notes to financial statements.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

STATEMENTS OF CASH FLOWS (Continued)

	For the Year Ended December 31, 1999	For the Nine Months Ended December 31, 1998	For the Year Ended March 31, 1998
	(Consolidated)	(Consolidated)	
Supplemental Disclosures of Cash Flow Information:			
Cash paid during the period			
Income taxes	$ --	$ --	$ --
Interest	$ 35,193	$ 886	$ 4,181
Supplemental Schedules of Noncash Investing and Financing Activities:			
Issuance of common stock for interest	$ 27,719	$ --	$ --
Issuance of preferred and common stock for services rendered	$ 30,000	$ 6,000	$ --
Property assets acquired under capital lease obligations	$ --	$ 17,806	$ --
Net accrual of dividends on Series A preferred stock	$ 51,353	$ 28,517	$ 60,067
Series A preferred stock and dividends thereon converted to common stock and additional paid-in capital upon conversion	$ 24,530	$ 81,268	$ 15,359
Issuance of common stock for indebtedness	$ 253,182	$ --	$ --

See accompanying notes to financial statements.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 1999 AND 1998 AND
FOR THE YEARS ENDED DECEMBER 31, 1999,
FOR THE NINE MONTHS ENDED DECEMBER 31, 1998 AND
FOR THE YEAR ENDED MARCH 31, 1998

NOTE 1 - THE COMPANY.

Corniche Group Incorporated (hereinafter referred to as the "Company" or "CGI") as a result of a reverse acquisition with Corniche Distribution Limited and its Subsidiaries ("Corniche"), was engaged in the retail sale and wholesale distribution of stationery products and related office products, including office furniture, in the United Kingdom. In February 1996, the Company was placed in receivership by its creditors. Through March 1998, the Company had no activity.

On March 4, 1998, the Company entered into a Stock Purchase Agreement ("Agreement"), approved by the Company's stockholders on May 18, 1998, with certain individuals (the "Initial Purchasers") whereby the Initial Purchasers acquired an aggregate of 765,000 shares of a newly created Series B Convertible Redeemable Preferred Stock, par value $0.01 per share. Thereafter the Initial Purchasers have been endeavoring to establish for the Company new business operations in the property and casualty specialty insurance and the service contract markets.

On September 30, 1998, the Company acquired all of the capital stock of Stamford Insurance Company, Ltd. ("Stamford") from Warrantech Corporation for $37,000 in cash in a transaction accounted for as a purchase. Warrantech's chairman is the former chairman of the Company. Stamford was charted under the Laws of, and is licensed to conduct business as an insurance company by, the Cayman Islands. Although Stamford has incurred expenses since its inception, it first generated revenues in the fourth quarter of 1999.

NOTE 1 - THE COMPANY. (Continued)

The unaudited consolidated combined results of operations, on a pro forma basis as though Stamford has been acquired at the beginning of each period, is as follows:

	For the Nine Months Ended December 31, 1998	For the Years Ended March 31, 1998
Net sales	$ --	$ --
Costs and expenses	511,335	232,824
Net loss	$ (527,991)	$ (268,321)
Net loss per share	$ (0.08)	$ (0.05)

At December 31, 1999 and 1998, Stamford's total net assets consisted of the following:

	December 31, 1999	December 31, 1998
Assets:		
Cash and equivalents	$ 384,849	$ 155,806
Deferred acquisition costs	35,568	--
Licenses, net of accumulated depreciation	16,777	17,997
	437,194	173,803
Liabilities:		
Current liabilities	5,021	879
Unearned premiums	288,086	--
	293,107	879
Net assets	$ 144,087	$ 172,924

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

(a) Basis of Presentation:

On February 4, 1999, the Board of Directors approved a resolution to change the Company's fiscal year-end from March 31, to December 31. The accompanying financial statements as at and for the year ended December 31, 1999 reflect the consolidated financial position and consolidated results of operations and cash flows of the Company and its wholly-owned subsidiary, Stamford, for the year ended December 31, 1999.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

(a) Basis of Presentation: (Continued)

The financial statements as at and for the nine months ended December 31, 1999 reflect the consolidated financial position and consolidated results of operations and cash flows of the Company for the nine months ended December 31, 1998 and its wholly-owned subsidiary from its acquisition on September 30, 1998 to December 31, 1998. The financial statements for the year ended March 31, 1998 reflect the financial position and results of operations and cash flows of the Company for the year then ended. All material intercompany transactions have been eliminated in consolidation.

(b) Cash Equivalents:

Short-term cash investments which have a maturity of ninety days or less when purchased are considered cash equivalents in the statement of cash flows.

(c) Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(d) Concentrations of Credit-Risk:

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and marketable securities. The Company places it domestic operations cash accounts with high credit quality financial institutions which at times may be in excess of the FDIC insurance limit. The Company's subsidiary places its cash in the Cayman Island subsidiaries of domestic banks whose net worth exceeds $100,000,000. The Company's marketable securities are primarily comprised of investments in municipal bank funds. The Company employs the services of an investment advisor to assist in monitoring its investments.

(e) Marketable Securities:

Marketable securities are classified as trading securities and are reported at market value at December 31, 1999 and 1998 which approximates cost.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

(f) Property and Equipment: (Continued)

The cost of property and equipment is depreciated over the estimated useful lives of the related assets of 5 to 7 years. The cost of computer software programs is amortized over their estimated useful lives of five years. Depreciation is computed on the straight-line method. Repairs and maintenance expenditures which do not extend original asset lives are charged to income as incurred.

(g) Intangibles:

The excess of the purchase price for the capital stock of Stamford over the net assets acquired has been attributed to the subsidiary's license to conduct business as an insurance carrier in the Cayman Islands. Amortization charged to operations in fiscal 1999 was $1,220 and in the nine months ended December 31, 1998 was $305.

(h) Income Taxes:

The Company adopted SFAS 109, "Accounting for Income Taxes", which recognizes (a) the amount of taxes payable or refundable for the current year and, (b) deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an enterprise's financial statement or tax returns. There is no difference as to financial and tax basis of assets and liabilities.

(i) Fair Value of Financial Statements:

The Company adopted Statement of Financial Accounting Standards No. 121 ("SFAS No. 121"), "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of". The statement requires that the Company recognizes and measures impairment losses of long-lived assets, certain identifiable intangibles, value long-lived assets to be disposed of and long-term liabilities. At December 31, 1999 and 1998, the carrying values of the Company's other assets and liabilities approximate their estimated fair values.

(j) Advertising Costs:

The Company expenses advertising costs as incurred. Advertising costs amounted to $252,983 in fiscal 1999 and none for the nine months ended December 31, 1998 and year ended March 31, 1998.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

(k) Earnings Per Share:

The Company adopted Statement of Financial Accounting Standards No. 128, "Earnings Per Share," in the year ended March 31, 1998. Basic earnings per share is based on the weighted effect of all common shares issued and outstanding, and is calculated by dividing net income available to common stockholders by the weighted average shares outstanding during the period. Diluted earnings per share, which is calculated by dividing net income available to common stockholders by the weighted average number of common shares used in the basic earnings per share calculation plus the number of common shares that would be issued assuming conversion of all potentially dilutive securities outstanding, is not presented as it is anti-dilutive in all periods.

(l) Recently Issued Accounting Pronouncements:

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 130 - "Reporting Comprehensive Income", No. 131 - "Disclosures about Segments of an Enterprise and Related Information", No. 132 - "Employer's Disclosures about Pension and Other Postretirement Benefits" and No. 133 - "Accounting for Derivative Instruments and Hedging Activities". Management does not believe that the effect of implementing these new standards will be material to the Company's financial position, results of operations and cash flows.

(m) Revenue Recognition:

Stamford is a property and casualty reinsurance company writing reinsurance coverages for one domestic carrier's consumer products service contracts. The domestic carrier is rated "A-" Excellent by A.M. Best.

Premiums are recognized on a pro rata basis over the policy term. The deferred policy acquisition costs are the net cost of acquiring new and renewal insurance contracts. These costs are charged to expense in proportion to net premium revenue recognized.

The provisions for losses and loss-adjustment expenses includes an amount determined from loss reports on individual cases and an amount, based on past experience for losses incurred but not reported. Such liabilities are necessarily based on estimates, and while management believes that the amount is adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in earnings currently.

The parent company sells via the Internet directly to consumers automotive vehicle services contracts. The Company recognizes revenue ratably over the length of the contract. The Company purchases insurance to fully cover any losses under the service contracts from the domestic carrier referred to above. The insurance premium and other costs related to the sale are amortized over the contract.

NOTE 3 - PROPERTY AND EQUIPMENT.

Property and equipment consists of the following:

	December 31,	
	1999	1998
Computer equipment	$ 116,660	$ 3,906
Furniture and fixtures	23,266	23,266
Computer software	582,585	--
	722,511	27,172
Less: Accumulated depreciation	77,896	2,713
	644,615	24,459
Lease property under capital lease:		
Office equipment	17,806	17,806
Less: Accumulated depreciation	7,419	1,484
	10,387	16,322
	$ 655,002	$ 40,781

Depreciation and amortization charged to operations was $81,118, $3,130 and $388, for the year ended December 31, 1999, for the nine months ended December 31, 1998 and for the year ended March 31, 1998, respectively.

The estimated present value of the capital lease obligations at December 31, 1999 reflects imputed calculated at 12.7% and 19.32%. The obligations are payable in equal monthly installments through January 2002 as follows:

Years Ending December 31,	
2000	$ 7,115
2001	5,181
2002	317
	12,613
Amount representing interest	2,630
Present value of minimum lease payments	9,983
Present value of minimum lease payments due within one year	5,392
Present value of minimum lease payments due after one year	$ 4,591

The aggregate maturities of the present value of the minimum lease obligations is as follows:

Years Ending December 31,	
2000	$5,392
2001	4,294
2002	297
	$9,983

NOTE 4 - ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES.

Accounts payable, accrued expenses and other current liabilities consist of the following at:

	December 31, 1999	December 31, 1998
Accrued offering costs	$ 419,120	$ --
Accrued professional fees	41,534	80,000
Advertising	69,427	--
Other	26,789	11,956
Due to related party (see Note 10)	--	41,985
Accrued claims losses	5,000	--
	$ 556,870	$ 133,941

NOTE 5 - NOTES PAYABLE.

During the period January 1997 through April 30, 1997, the Company engaged in a private offering of securities pursuant to Rule 506 of Regulation D of the Securities Act of 1993, as amended. The offering consists of up to 19 units being sold at an offering price of $25,000 per unit. Each unit consists of one $25,000 face amount 90-day, 8% promissory note and one redeemable common stock purchase warrant to purchase 60,000 shares of the Company's common stock at a price of $.50 per share during a period of three years from issuance. The offering of up to $475,000 was conducted on a "best efforts" basis through Robert M. Cohen & Co. ("RMCC"). In connection with such offering, RMCC was paid sales commissions equal to 10% of the purchase price of each unit sold or $2,500 per unit.

The notes payable relating to the above offering were paid in full and the warrants were simultaneously redeemed during the year ended March 31, 1998 with funds generated from the sale of stock (see Note 8).

In October 1999 the Company sold to accredited investors 10 units of its promissory notes and common stock for $25,025 each. Each unit was comprised of a 5% interest bearing $25,000 note and 25,000 shares. The variance between the fair market value of the 25,000 common shares issued in the aggregate of $27,969 and the cash received of $250 was deemed to be additional interest and was charged to operations over the life of the notes. The notes were repaid in full in December 31, 1999. At December 31, 1999, accrued interest on the notes of $3,025 remained outstanding and was repaid in January, 2000. The effective weighted average interest rate of the notes during the period they were outstanding was 49.2%.

NOTE 6 - LONG-TERM DEBT.

Long-term debt consists of the following at December 31, 1999 and 1998:

	1999	1998
Capital lease obligations (see Note 3)	$ 9,983	$ 13,911
Note payable - bank - in equal monthly installments of $2,043 including interest at 8-3/4%. The notes are collateralized by computer equipment having an undepreciated cost of $78,927	89,270	--
	99,253	13,911
Portion payable within one year	22,662	4,649
	$ 76,591	$ 9,262

The aggregate maturities of the obligations is as follows:

Years Ending December 31,	
2000	$22,662
2001	23,459
2002	20,616
2003	22,525
2004	9,991
	$99,253

NOTE 7 - SERIES A CONVERTIBLE PREFERRED STOCK.

In connection with the settlement of a securities class action litigation in 1994, the Company issued 1,000,000 shares of Series A $0.07 Convertible Preferred Stock (the "Series A Preferred Stock") with an aggregate value of $1,000,000. The following summarizes the terms of Series A Preferred Stock as more fully set forth in the Certificate of Designation. The Series A Preferred Stock has a liquidation value of $1 per share, is non-voting and convertible into common stock of the Company at a price of $5.20 per share. Holders of Series A Preferred Stock are entitled to receive cumulative cash dividends of $0.07 per share, per year, payable semi-annually. Until November 30, 1999 the Series A Preferred Stock was callable by the Company at a price of $1.04 per share, plus accrued and unpaid dividends, and thereafter at a price of $1.05 per share, plus accrued and unpaid dividends. In addition, if the closing.

NOTE 7 - SERIES A CONVERTIBLE PREFERRED STOCK. (Continued)

price of the Company's common stock exceeds $13.80 per share for a period of 20 consecutive trade days, the Series A Preferred Stock is callable by the Company at a price equal to $0.01 per share, plus accrued and unpaid dividends. The Certificate of Designation for the Series A Preferred Stock also states that at any time after December 1, 1999 the holders of the Series A Preferred Stocks may require the Company to redeem their shares of Series A Preferred Stock (if there are funds with which the Company may do so) at a price of $1.00 per share. Notwithstanding any of the foregoing redemption provisions, if any dividends on the Series A Preferred Stock are past due, no shares of Series A Preferred Stock may be redeemed by the Company unless all outstanding shares of Series A Preferred Stock are simultaneously redeemed. During the year ended December 31, 1999, 18,711 shares of Series A Preferred Stock were converted into 3,586 shares of common stock. During the nine months ended December 31, 1998, 65,143 shares of the Series A Preferred Stock were converted into 12,525 shares of common stock. During the year ended March 31, 1998, holders of 15,359 shares of the Series A Preferred Stock converted such shares into 2,953 shares of the Company's common stock. At December 31, 1999, 810,054 shares of Series A Preferred Stock were outstanding, and accrued dividends on these outstanding shares are $288,334.

NOTE 8 - STOCKHOLDER'S EQUITY.

(a) Series B Convertible Redeemable Preferred Stock:

On March 4, 1998, the Company entered into a Stock Purchase Agreement ("Agreement"), approved by the Company's stockholders on May 18, 1998, with certain individuals (the "Initial Purchasers") whereby the Initial Purchasers and two other persons acquired an aggregate of 825,000 shares of a newly created Series B Convertible Redeemable Preferred Stock ("Series B Stock"), par value $0.01 per share.

Pursuant to the Agreement and subsequent transactions, the Initial Purchasers acquired 765,000 shares of Series B Stock for $76,500 in cash. The Company incurred certain legal expenses of the Initial Purchasers equaling approximately $50,000 in connection with the transaction. In addition, the Company issued 50,000 shares of Series B Stock to a consultant as compensation valued at $5,000 for his assistance to the Company in the identification and review of business opportunities and this transaction and for his assistance in bringing the transaction to fruition. Additionally, the Company issued 10,000 shares of Series B Stock to James Fyfe as compensation valued at $1,000 for his work in bringing this transaction to fruition. These issuances diluted the voting rights of the then existing stockholders by approximately 57%. The total authorized shares of Series B Convertible Redeemable Preferred Stock are 825,000.

NOTE 8 - STOCKHOLDER'S EQUITY. (Continued)

(a) Series B Convertible Redeemable Preferred Stock: (Continued)

The following summarizes the terms of the Series B Stock whose terms are more fully set forth in the Certificate of Designation. The Series B Stock carries a zero coupon and each share of the Series B Stock is convertible into ten shares of the Company's common stock. The holder of a share of the Series B Stock is entitled to ten times any dividends paid on the common stock and such stock has ten votes per share and vote as one class with the common stock. Accordingly, the Initial Purchasers have sufficient voting power to elect all of the Board of Directors. However, the Initial Purchasers are required to vote in favor of Mr. Fyfe or his designee as a director of the Corporation through June 30, 2000.

The holder of any share of Series B Convertible Redeemable Preferred Stock has the right, at such holder's option (but not if such share is called for redemption), exercisable on or after September 30, 2000, to convert such share into ten (10) fully paid and non-assessable shares of common stock (the "Conversion Rate"). The Conversion Rate is subject to adjustment as stipulated in the Agreement. Upon liquidation, the Series B Stock would be junior to the Corporation's Series A Preferred Stock and would share ratably with the common stock with respect to liquidating distributions.

Since, the Company raised in excess of $2,500,000 in fiscal 1999 from the sale of its common shares and the Company's common shares maintained a minimum closing bid price in excess of $2.00 per shares for 10 consecutive trading days, then the Company's right, pursuant to the terms of the Agreement and the Certificate of Designation to repurchase or redeem such shares of Series B Stock from the holders for total consideration of $0.10 per share was eliminated.

(b) Common Stock:

On May 15, 1997, the Company commenced a private securities offering pursuant to Rule 506 of Regulation D of the Securities Act of 1933, as amended, of up to 400 units, each unit consisting of 10,000 shares of common stock being offered at a price of $5,000 per unit. The Company used a placement agent for such offering who received a sales commission equal to 10% of the offering price of each unit sold. In connection with the offering, 369 units were sold for gross receipts of $1,845,000 from which the agent was paid a commission $184,500 for net of $1,660,500 to the Company.

NOTE 8 - STOCKHOLDER'S EQUITY. (Continued)

(b) Common Stock: (Continued)

In March 1998, the Company sold 250,000 shares of common stock at $.50 per share realizing $125,000.

The stockholders at the annual meeting held on May 18, 1998, approved the reduction of the par value of the common stock from $0.10 per share to $0.001 per share.

Commencing in May 1999 through July 1999, the Company sold 688,335 shares of its common stock to accredited investors for $538,492 net of offering costs. In December 1999, accredited investors purchased 5,187,500 shares of the Company's common stock for $3,715,744, net of offering costs. Through February 15, 2000, additional investors acquired 1,676,250 shares of the Company's common stock for approximately $1,206,000, net of offering costs.

The Company in 1999 issued 5,000 shares of its common stock whose fair value was $5,000 to its President as a signing bonus which was charged to operations at the time of issuance. The Company also issued in 1999, 25,000 shares of its common stock whose fair value was $25,000 at the date of issuance to a public relations consultant for future services. The arrangement with the consultant was terminated in 1999 and the fair value of the shares was charged to operations in 1999.

(c) Warrants:

The Company has issued common stock purchase warrants from time to time to investors in private placements, certain vendors, underwriters, and directors and officers of the Company.

A total of 101,308 shares of common stock are reserved for issuance upon exercise of warrants as of December 31, 1998 and March 31, 1998. Of these outstanding warrants, warrants for 9,375 common shares at $46.40 per share expired in April 1999. The remaining warrants to acquire 91,933 common shares at exercise prices ranging from $3.20 to $8.10 per share were granted in March 1995 to certain directors, officers and employees who converted previously outstanding stock options under the 1986 Plan into warrants on substantially the same terms as the previously held stock options, except the warrants were immediately vested. During fiscal 1999, warrants to acquire 22,308 common shares at prices ranging from $3.90 to $46.40 per share expired. No warrants were exercised during any of the periods presented. A total of 79,000 shares of common stock are reserved for issuance upon exercise of outstanding warrants as of December 31, 1999 at prices ranging from $3.20 to $27.50 and expiring through October 2004.

NOTE 8 - STOCKHOLDER'S EQUITY. (Continued)

(d) Stock Option Plans:

The Company has two stock option plans. The 1998 Stock Option Plan provides for the grant of options to purchase shares of the Company's common stock to employees. The 1992 Stock Option Plan provides for the grant of options to directors.

In April 1992, the Company adopted the 1992 Stock Option Plan to provide for the granting of options to directors. According to the terms of this plan, each director is granted options to purchase 1,500 shares each year. The maximum amount of the Company's common stock that may be granted under this plan is 20,000 shares. Options are exercisable at the fair market value of the common stock on the date of grant and have five year terms.

Under the 1998 Plan, the maximum aggregate number of shares which may be issued under options is 300,000 shares of common stock. The aggregate fair market value (determined at the time the option is granted) of the shares for which incentive stock options are exercisable for the first time under the terms of the 1998 Plan by any eligible employee during any calendar year cannot exceed $100,000. The option exercise price of each option is 100% of the fair market value of the underlying stock on the date the options are granted, except that no option will be granted to any employee who, at the time the option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Corporation or any subsidiary unless (a) at the time the options are granted, the option exercise price is at least 110% of the fair market value of the shares of common stock subject to the options and (b) the option by its terms is not exercisable after the expiration of five years from the date such option is granted.

NOTE 8 - STOCKHOLDER'S EQUITY. (Continued)

(d) Stock Option Plans: (Continued)

The 1998 Plan is administered by a committee of disinterested directors of the Board of Directors of the Corporation ("Option Committee"). In 1999, options to acquire 100,000 common shares at $1.00 per share were granted to an officer and an option to acquire 25,000 common shares at $0.6875 per share was issued to a consultant were granted under the 1998 Plan. In May 1997, a director was granted an option to acquire 1,500 common shares at $0.3125 per share were granted under the 1992 Plan.

Information with respect to options under the 1992 and 1998 Stock Option Plans is summarized as follows:

	For the Year Ended December 31, 1999		For the Nine Months Ended December 31, 1998		For the Year Ended March 31, 1998	
	Shares	Prices	Shares	Prices	Shares	Prices
Outstanding at beginning of period	3,000	$0.31 to $0.41	3,000	$ .31 to $.41	1,500	$ 0.41
Granted	125,000	$0.69 to $1.00	--	--	1,500	$ 0.31
Converted	--	--	--	--	--	--
Expired	--	--	--	--	--	--
Exercised	--	--	--	--	--	--
Outstanding at end of period	128,000	$0.31 to $1.00	3,000	$ .31 to $.41	3,000	$ .31 to $.41

Outstanding options expire 90 days after termination of holder's status as employee or director. At December 31, 1999 and 1998, options to acquire 3,000 common shares were exercisable at prices ranging from $0.31 to $0.41 per share. The Company has 332,000 shares available for grant under all plans.

All options were granted at an exercise price equal to the fair value of the common stock at the grant date. Therefore, in accordance with the provisions of APB Opinion No. 25 related to fixed stock options, no compensation expense is recognized with respect to options granted or exercised. Under the alternative fair-value based method defined in SFAS No. 123, the fair value of all fixed stock options on the grant date would be recognized as expense over the vesting period. Assuming the fair market value of the stock at the date of grant to be $.3125 per share in May 1996, $.40625 per share in May 1997, $.6875 in January 1999 and $1.00 per share in September 1999, the life of the options to be from three to ten years, the expected volatility at 200%, expected dividends are none, and the risk-free interest rate of 10%, the Company would have recorded compensation expense of $7,750 for the year ended December 31, 1999 as calculated by the Black-Scholes option pricing model. As such, pro-forma net loss and loss per share would be as follows:

NOTE 8 - STOCKHOLDER'S EQUITY. (Continued)

(d) Stock Option Plans: (Continued)

Net loss as reported	$ (1,169,508)
Additional compensation	7,750
Adjusted net loss	$ (1,177,258)
Loss per share as reported	$ (0.17)
Adjusted loss per share	$ (0.17)

As the number of options granted at December 31, 1998 and March 31, 1998 is immaterial, recognizing the expense would not have a material effect on the Company's financial statements for the nine months ended December 31, 1998 and the year ended March 31, 1998.

NOTE 9 - INCOME TAXES.

The Company has received permission from the Internal Revenue Service to change its taxable year-end from March 31, to December 31, effective with the December 31, 1998 period.

The differences between income taxes computed using the statutory federal income tax rate and that shown in the financial statements are summarized as follows:

	For the Year Ended December 31, 1999 (Consolidated)		For the Nine Months Ended December 31, 1998 Consolidated		For the Year Ended March 31, 1998	
Loss before income taxes and preferred dividend	$ (1,112,336)	%	$ (402,951)	%	$ (203,798)	%
Computed tax benefit at statutory rate	$ (378,000)	(34.0)	$ (137,000)	(34.0)	$ (69,300)	(34.0)
Compensatory element of common stock issuances	19,600	1.8	--	--	--	--
Foreign subsidiary loss not subject to U.S. taxes	9,800	0.9	300	--	--	--
Net operating loss valuation reserve	348,600	31.3	136,700	34.0	69,300	34.0
Total tax benefits	$ --	--	$ --	--	$ --	--

There are no significant differences between the financial statement and tax basis of assets and liabilities and, accordingly, no deferred tax provision/benefit is required.

NOTE 9 - INCOME TAXES. (Continued)

The Tax Reform Act of 1986 enacted a complex set of rules limiting the utilization of net operating loss carryforwards to offset future taxable income following a corporate ownership change. The Company's ability to utilize its NOL carryforwards is limited following a change in ownership in excess of fifty percentage points during any three year period. Upon receipt of the proceeds from the last foreign purchasers of the Company's common stock in January 2000, common stock ownership changed in excess of 50% during the three year period then ended. The utilization of the Company's net operating loss carryforward at December 31, 1999 of $2,063,000 was not negatively impacted by this ownership change. The future tax benefit of the net operating loss carryforward aggregated $701,000 at December 31, 1999 has been fully reserved as it is not more likely than not that the Company will be able to use the operating loss in the future.

NOTE 10 - COMMITMENTS, CONTINGENCIES AND OTHER.

(a) Leases:

Commencing in August 1998, the Company entered into short-term operating leases for its general office space and certain office equipment. Prior to August 1998, the Company did not incur rent expense as it was inactive. Rent expense charged to operations for the year ended December 31, 1999 and for the nine months ended December 31, 1998 was $63,162 and $23,000 and none for the year ended March 31, 1998. Future minimum annual rent commitments under operating leases as of December 31, 1999 are as follows:

Years Ending December 31,	
2000	$54,000
2001	33,000
2002	3,000
Total minimum annual rentals	$90,000

(b) Web Site:

At December 31, 1998, a liability in the amount of $41,985 was owed to Warrantech Corporation, an affiliate, for expenses associated with a Web Site that were incurred by the Company. They are included in accounts payable, accrued expenses and other current liabilities in the accompanying financial statements. The affiliate had paid the vendors on the Company's behalf for their services.

NOTE 10 - COMMITMENTS, CONTINGENCIES AND OTHER. (Continued)

(c) Investment Contract:

The Corporation has entered into an investment advisory agreement with AIG Global Investment Corporation ("AIG") under which AIG will function as investment advisor and manager of all the Corporation's investable assets. AIG provides management services to all affiliated insurance companies of American International Group and other third-party institutions on a world-wide basis.

(d) Year 2000:

Although the Company has had limited operations through December 31, 1999, it recognized the need to ensure that its operations will not be adversely effected by Year 2000 software or hardware failures. The Company in developing its software and hardware made certain that all its systems were compliant with Year 2000 requirements. The Company has not experienced any adverse computer hardware or software effect to date. If, despite the Company's effects under its Year 2000 related failures affecting the Company from outside sources, management at the present time does not believe the impact will be substantial.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS

Col. A	Col. B	Col. C		Col. D	Col. E
		Additions			
	Balance Beginning of Period	Charged to Costs and Expenses	Acquisition of Subsidiaries	Deductions Describe	Balance at end of Period
For the year ended March 31, 1998:					
Reserve against notes receivable in default	$ 75,000	$ --	$ --	$ --	$ 75,000
For the nine months ended December 31, 1998:					
Reserve against notes receivable in default	75,000	--	--	--	75,000
For the year ended December 31, 1999:					
Reserve against notes receivable in default	75,000	--	--	--	75,000

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS
(Unaudited)

ASSETS

	June 30, 2000	December 31, 1999
Current assets:		
Cash and equivalents	$ 1,082,014	$ 1,639,473
Marketable securities	3,765,618	2,733,319
Prepaid expenses and other current assets	276,340	71,622
Total current assets	5,123,972	4,444,414
Property and equipment, net	579,055	655,002
Deferred acquisition costs	32,161	41,946
License, net of accumulated amortization	16,167	16,777
Other assets	12,525	12,525
	$ 5,763,880	$ 5,170,664

See accompanying notes to financial statements.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS (Continued)
(Unaudited)

LIABILITIES AND STOCKHOLDERS' EQUITY

	June 30, 2000	December 31, 1999
Current liabilities:		
Dividends payable - preferred stock	$ 271,742	$ 288,334
Accounts payable, accrued expenses and other current liabilities	203,903	561,870
Current portion of long-term debt	23,689	22,662
Total current liabilities	499,334	872,866
Unearned revenues	587,766	298,801
Long-term debt	64,116	76,591
Series A Convertible Preferred Stock: Series A $0.07 cumulative convertible preferred stock - stated value - $1.00 per share, authorized - 1,000,000 shares, outstanding - 694,974 shares at June 30, 2000 and 810,054 shares at December 31, 1999	694,974	810,054
Convertible Redeemable Preferred Stock, Common Stock, Other Stockholders' Equity and Accumulated Deficit:		
Preferred stock - authorized - 5,000,000 shares Series B convertible redeemable preferred stock, $0.1 par value, authorized, issued and outstanding - 825,000 shares	8,250	8,250
Common stock, $.001 par value, authorized - 75,000,000 shares, issued and outstanding - 14,222,971 shares at June 30, 2000 and 12,513,127 shares at December 31, 1999	14,223	12,513
Additional paid-in capital	8,806,734	7,421,944
Accumulated deficit	(4,911,517)	(4,330,355)
Total convertible redeemable preferred stock, common stock, other stockholders' equity	3,917,690	3,112,352
	$ 5,763,880	$ 5,170,664

See accompanying notes to financial statements.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Six Months Ended June 30,		For the Three Months Ended June 30,	
	2000	1999	2000	1999
Earned revenues	$ 275,549	$ --	$ 129,949	$ --
Direct costs	106,580	--	63,080	--
Gross profit	168,969	--	66,869	--
General and administrative expenses	824,041	999,763	496,765	600,641
Operating loss	(655,072)	(999,763)	(429,896)	(600,641)
Other income (expense):				
Unrealized gain on marketable securities	11,660	--	7,478	--
Interest income	91,259	5,965	54,958	1,512
Interest expense	(4,639)	--	(2,399)	--
Total other income (expense)	98,280	5,965	60,037	1,512
Loss before preferred dividend	(556,792)	(993,798)	(369,859)	(599,129)
Preferred dividend	24,370	28,714	12,162	14,268
Net loss	$ (581,162)	$ (1,022,512)	$ (382,021)	$ (613,397)
Net loss per share of common stock	$ (0.04)	$ (0.16)	$ (0.03)	$ (0.10)
Weighted average number of common shares outstanding	13,820,536	6,377,357	14,211,840	6,380,997

See accompanying notes to financial statements.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CONVERTIBLE REDEEMABLE PREFERRED STOCK, COMMON STOCK, OTHER STOCKHOLDERS' EQUITY AND ACCUMULATED DEFICIT

FOR THE SIX MONTHS ENDED JUNE 30, 2000
(Unaudited)

	Series B Convertible Preferred Stock		Common Stock		Additional Paid-In	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance - January 1, 2000	825,000	$8,250	12,513,127	$12,513	$7,421,944	$(4,330,355)	$ 3,112,352
Issuance of common stock for cash, net of offering costs	--	--	1,676,250	1,676	1,205,094	--	1,206,770
Issuance of common stock for services rendered	--	--	2,000	2	5,873	--	5,875
Conversion of Series A Convertible Preferred Stock into Common Stock	--	--	22,094	22	156,020	--	156,042
Series A Convertible Stock dividends	--	--	--	--	--	(24,370)	(24,370)
Net loss before preferred stock dividend	--	--	--	--	--	(556,792)	(556,792)
Shares to be issued for services rendered	--	--	9,500	10	17,803	--	17,813
Balance - June 30, 2000	825,000	$8,250	14,222,971	$14,223	$8,806,734	$(4,911,517)	$ 3,917,690

See accompanying notes to financial statements.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Six Months Ended June 30,	
	2000	1999
Cash flows from operating activities:		
Net loss	$ (581,162)	$ (1,022,512)
Adjustments to reconcile net loss to net cash used in operating activities:		
Unrealized gain on marketable securities	(11,660)	--
Issuance of common stock for services rendered	23,688	--
Series A preferred stock dividends	24,370	28,714
Depreciation and amortization	76,557	10,866
Unearned revenues	288,965	--
Deferred acquisition costs	9,785	--
Increase (decrease) in cash flows as a result of changes in asset and liability account balances:		
Prepaid expenses and other current assets	(204,718)	(22,464)
Accounts payable, accrued expenses and other current liabilities	(357,967)	107,325
Total adjustments	(150,980)	124,441
Net cash used in operating activities	(732,142)	(898,071)
Cash flows from investing activities:		
(Increase) decrease in marketable securities	(1,020,639)	545,689
Acquisition of property assets	--	(103,618)
Net cash provided by (used in) investment activities	(1,020,639)	442,071
Cash flows from financing activities:		
Net proceeds from issuance of capital stock - net	1,206,770	556,527
Payments of capital lease obligations	(2,944)	(2,328)
Proceeds from notes payable	--	97,336
Repayments of notes payable	(8,504)	--
Net cash provided by financing activities	1,195,322	651,535
Net increase (decrease) in cash	(557,459)	195,535
Cash and cash equivalents at beginning of period	1,639,473	206,313
Cash and cash equivalents at end of period	$ 1,082,014	$ 401,848

See notes to financial statements.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Unaudited)

	For the Six Months Ended June 30,	
	2000	1999
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period:		
Income taxes	$ --	$ --
Interest	$ 4,639	$ 719
Supplemental Schedules of Noncash Financing Activities:		
Series A Preferred Stock and dividends thereon converted to common stock and additional paid-in capital upon conversion	$ 156,020	$ 28,714
Issuance of common stock for services rendered	$ 23,688	$ --

See notes to financial statements.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2000
(Unaudited)

NOTE 1 - THE COMPANY.

Corniche Group Incorporated (hereinafter referred to as the "Company" or "CGI") as a result of a reverse acquisition with Corniche Distribution Limited and its Subsidiaries ("Corniche"), was engaged in the retail sale and wholesale distribution of stationery products and related office products, including office furniture, in the United Kingdom. In February 1996, the Company was placed in receivership by its creditors. Through March 1998, the Company had no activity.

On March 4, 1998, the Company entered into a Stock Purchase Agreement ("Agreement"), approved by the Company's stockholders on May 18, 1998, with certain individuals (the "Initial Purchasers") whereby the Initial Purchasers acquired an aggregate of 765,000 shares of a newly created Series B Convertible Redeemable Preferred Stock, par value $0.01 per share. Thereafter the Initial Purchasers have been endeavoring to establish for the Company new business operations in the property and casualty specialty insurance and the service contract markets.

On September 30, 1998, the Company acquired all of the capital stock of Stamford Insurance Company, Ltd. ("Stamford") from Warrantech Corporation for $37,000 in cash in a transaction accounted for as a purchase. Warrantech's chairman is the former chairman of the Company. Stamford was charted under the Laws of, and is licensed to conduct business as an insurance company by, the Cayman Islands. Although Stamford has incurred expenses since its inception, it first generated revenues in the fourth quarter of 1999.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

(a) Basis of Presentation:

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the statements contain all adjustments (consisting only of normal recurring accruals) necessary to present fairly the financial position as of June 30, 2000 and the results of operations and cash flows for the six and three months ended June 30, 2000 and 1999. The results of operations for the six and three months ended June 30, 2000 and 1999 are not necessarily indicative of the results to be expected for the full year.

The December 31, 1999 balance sheet has been derived from the audited financial statements at that date included in the Company's annual report on Form 10-K. These unaudited financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's annual report on Form 10-K.

(b) Cash Equivalents:

Short-term cash investments which have a maturity of ninety days or less when purchased are considered cash equivalents in the statement of cash flows.

(c) Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(d) Concentrations of Credit-Risk:

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and marketable securities. The Company places its domestic operations cash accounts with high credit quality financial institutions, which at times may be in excess of the FDIC insurance limit. The Company's subsidiary places its cash in the Cayman Island subsidiaries of domestic banks whose net worth exceeds $100,000,000. The Company's marketable securities are primarily comprised of investments in municipal bank funds. The Company employs the services of an investment advisor to assist in monitoring its investments.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

(e) Marketable Securities:

Marketable securities are classified as trading securities and are reported at market value at December 31, 1999. At June 30, 2000, the market value of securities exceeded their cost by $11,660. The market value of the investment approximated cost at December 31, 1999.

(f) Property and Equipment:

The cost of property and equipment is depreciated over the estimated useful lives of the related assets of 5 to 7 years. The cost of computer software programs is amortized over their estimated useful lives of five years. Depreciation is computed on the straight-line method. Repairs and maintenance expenditures which do not extend original asset lives are charged to income as incurred.

(g) Intangibles:

The excess of the purchase price for the capital stock of Stamford over the net assets acquired has been attributed to the subsidiary's license to conduct business as an insurance carrier in the Cayman Islands. Amortization charged to operations in the six months ended June 30, 2000 and 1999 was $610, in each period, and for the three months ended March 31, 2000 and 1999 was $305, in each period.

(h) Income Taxes:

The Company adopted SFAS 109, "Accounting for Income Taxes", which recognizes (a) the amount of taxes payable or refundable for the current year and, (b) deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an enterprise's financial statement or tax returns. There is no difference as to financial and tax basis of assets and liabilities.

(i) Fair Value of Financial Statements:

The Company adopted Statement of Financial Accounting Standards No. 121 ("SFAS No. 121"), "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of". The statement requires that the Company recognizes and measures impairment losses of long-lived assets, certain identifiable intangibles, value long-lived assets to be disposed of and long-term liabilities. At June 30, 2000 and December 31, 1999, the carrying values of the Company's other assets and liabilities approximate their estimated fair values.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

(j) Advertising Costs:

The Company expenses advertising costs as incurred. Advertising costs amounted to $282,521 and $276,752 for the six and three months ended June 30, 2000 and none for the six and three months ended June 30, 1999.

(k) Earnings Per Share:

The Company adopted Statement of Financial Accounting Standards No. 128, "Earnings Per Share". Basic earnings per share is based on the weighted effect of all common shares issued and outstanding, and is calculated by dividing net income available to common stockholders by the weighted average shares outstanding during the period. Diluted earnings per share, which is calculated by dividing net income available to common stockholders by the weighted average number of common shares that would be issued assuming conversion of all potentially dilutive securities outstanding, is not presented as it is anti-dilutive in all periods.

(l) Recently Issued Accounting Pronouncements:

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 130 - "Reporting Comprehensive Income", No. 131 - "Disclosures about Segments of an Enterprise and Related Information", No. 132 - "Employer's Disclosures about Pension and Other Postretirement Benefits" and No. 133 - "Accounting for Derivative Instruments and Hedging Activities". Management does not believe that the effect of implementing these new standards will be material to the Company's financial position, results of operations and cash flows.

(m) Revenue Recognition:

Stamford is a property and casualty reinsurance company writing reinsurance coverages for one domestic carrier's consumer products service contracts. The domestic carrier is rated "A-" Excellent by A.M. Best.

Premiums are recognized on a pro rata basis over the policy term. The deferred policy acquisition costs are the net cost of acquiring new and renewal insurance contracts. These costs are charged to expense in proportion to net premium revenue recognized.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

(m) Revenue Recognition: (Continued)

The provisions for losses and loss-adjustment expenses include an amount determined from loss reports on individual cases and an amount based on past experience for losses incurred but not reported. Such liabilities are necessarily based on estimates, and while management believes that the amount is adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in earnings currently.

The parent company sells via the Internet directly to consumers automotive vehicle services contracts. The Company recognizes revenue ratably over the length of the contract. The Company purchases insurance to fully cover any losses under the service contracts from the domestic carrier referred to above. The insurance premium and other costs related to the sale are amortized over the contract.

NOTE 3 - PROPERTY AND EQUIPMENT.

Property and equipment consists of the following:

	June 30, 2000	December 31, 1999
Computer equipment	$ 116,660	$ 116,660
Furniture and fixtures	23,266	23,266
Computer software	582,585	582,585
	722,511	722,511
Less: Accumulated depreciation	150,875	77,896
	571,636	644,615
Lease property under capital lease:		
Office equipment	17,806	17,806
Less: Accumulated depreciation	10,387	7,419
	7,419	10,387
	$ 579,055	$ 655,002

Depreciation and amortization charged to operations was $76,577 and $10,866 for the six months ended June 30, 2000 and 1999, respectively, and $38,269 and $3,580 for the three months ended June 30, 2000 and 1999, respectively.

NOTE 3 - PROPERTY AND EQUIPMENT. (Continued)

The estimated present value of the capital lease obligations at June 30, 2000 reflects imputed calculated at 12.7% and 19.32%. The obligations are payable in equal monthly installments through February 2002 as follows:

Years Ending June 30,	
2001	$ 5,750
2002	2,721
	8,471
Amount representing interest	1,431
Present value of minimum lease payments	7,040
Present value of minimum lease payments due within one year	5,519
Present value of minimum lease payments due after one year	$ 1,521

The aggregate maturities of the present value of the minimum lease obligation is as follows:

Years Ending June 30,	
2001	$5,519
2002	1,521
	$7,040

NOTE 4 - ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES.

Accounts payable, accrued expenses and other current liabilities consist of the following at:

	June 30, 2000	December 31, 1999
Accrued offering costs	$ --	$ 419,120
Accrued professional fees	43,006	41,534
Advertising	30,000	69,427
Insurance	7,118	--
Other	118,779	26,789
Accrued claims losses	5,000	5,000
	$ 203,903	$ 561,870

NOTE 5 - NOTES PAYABLE.

In October 1999, the Company sold to accredited investors 10 units of its promissory notes and common stock for $25,025 each. Each unit was comprised of a 5% interest bearing $25,000 note and 25,000 shares. The variance between the fair market value of the 25,000 common shares issued in the aggregate of $27,969 and the cash received of $250 was deemed to be additional interest and was charged to operations over the life of the notes. The notes were repaid in full in December 31, 1999. At December 31, 1999, accrued interest on the notes of $3,025 remained outstanding and was repaid in January, 2000.

NOTE 6 - LONG-TERM DEBT.

Long-term debt consists of the following at June 30, 2000 and December 31, 1999:

	June 30, 2000	December 31, 1999
Capital lease obligations	$ 7,040	$ 9,983
Note payable - bank - in equal monthly installments of $2,043 including interest at 8-3/4%. The notes are collateralized by computer equipment having an undepreciated cost of $78,927	80,765	89,270
	87,805	99,253
Portion payable within one year	23,689	22,662
	$ 64,116	$ 76,591

The aggregate maturities of the obligations are as follows:

Years Ending June 30,	
2001	$23,689
2002	21,347
2003	21,631
2004	21,138
	$87,805

NOTE 7 - SERIES A CONVERTIBLE PREFERRED STOCK.

In connection with the settlement of a securities class action litigation in 1994, the Company issued 1,000,000 shares of Series A $0.07 Convertible Preferred Stock (the "Series A Preferred Stock") with an aggregate value of $1,000,000. The following summarizes the terms of the Series A Preferred Stock as more fully set forth in the Certificates of Designation. The Series A Preferred Stock has a liquidation value of $1 per share, is non-voting and convertible into common stock of the Company at a price of $5.20 per share. Holders of Series A Preferred Stock are entitled to receive cumulative cash dividends of $0.07 per share, per year, payable semi-annually. Until November 30, 1999 the Series A Preferred Stock was callable by the Company at a price of $1.04 per share, plus accrued and unpaid dividends, and thereafter at a price of $1.05 per share, plus accrued and unpaid dividends. In addition, if the closing price of the Company's common stock exceeds $13.80 per share for a period of 20 consecutive trade days, the Series A Preferred Stock is callable by the Company at a price equal to $0.01 per share, plus accrued and unpaid dividends. The Certificate of Designation for the Series A Preferred Stock also states that at any time after December 1, 1999 the holders of the Series A Preferred Stocks may require the Company to redeem their shares of Series A Preferred Stock (if there are funds with which the Company may do so) at a price of $1.00 per share. Notwithstanding any of the foregoing redemption provisions, if any dividends on the Series A Preferred Stock are past due, no shares of Series A Preferred Stock may be redeemed by the Company unless all outstanding shares of Series A Preferred Stock are simultaneously redeemed. During the year ended December 31, 1999, 18,711 shares of Series A Preferred Stock were converted into 3,586 shares of common stock. During the six months ended June 30, 2000, holders of 115,080 shares of the Series A Preferred Stock converted such shares into 22,094 shares of the Company's common stock. At June 30, 2000 and December 31, 1999, 694,974 and 810,054 shares of Series A Preferred Stock were outstanding, respectively. At June 30, 2000 and 1999, and accrued dividends on these outstanding shares were $271,742 and $288,334, respectively.

NOTE 8 - STOCKHOLDERS' EQUITY.

(a) Series B Convertible Redeemable Preferred Stock:

On March 4, 1998, the Company entered into a Stock Purchase Agreement ("Agreement"), approved by the Company's stockholders on May 18, 1998, with certain individuals (the "Initial Purchasers") whereby the Initial Purchasers and two other persons acquired an aggregate of 825,000 shares of a newly created Series B Convertible Redeemable Preferred Stock ("Series B Stock"), par value $0.01 per share.

NOTE 8 - STOCKHOLDERS' EQUITY. (Continued)

(a) Series B Convertible Redeemable Preferred Stock: (Continued)

Pursuant to the Agreement and Subsequent transactions, the Initial Purchasers acquired 765,000 shares of Series B Stock for $76,500 in cash. The Company incurred certain legal expenses of the Initial Purchasers equaling approximately $50,000 in connection with the transaction. In addition, the Company issued 50,000 shares of Series B Stock to a consultant as compensation valued at $5,000 for his assistance to the Company in the identification and review of business opportunities and this transaction and for his assistance in bring the transaction to fruition. Additionally, the Company issued 10,000 shares of Series B Stock to James Fyfe as compensation valued at $1,000 for his work in bringing this transaction to fruition. These issuances diluted the voting rights of the then existing stockholders by approximately 57%. The total authorized shares of Series B Convertible Redeemable Preferred Stock is 825,000.

The following summarizes the terms of the Series B Stock whose terms are more fully set forth in the Certificate of Designation. The Series B Stock carries a zero coupon and each share of the Series B Stock is convertible into ten shares of the Company's common stock. The holder of a share of the Series B Stock is entitled to ten times any dividends paid on the common stock and such stock has ten votes per share and vote as one class with the common stock. Accordingly, the Initial Purchasers have sufficient voting power to elect all of the Board of Directors. However, the Initial Purchasers are required to vote in favor of Mr. Fyfe or his designee as a director of the Corporation through June 30, 2000.

The holder of any share of Series B Convertible Redeemable Preferred Stock has the right, at such holder's option (but not if such share is called for redemption), exercisable on or after September 30, 2000, to convert such share into ten (10) fully paid and non-assessable shares of common stock (the "Conversion Rate"). The Conversion Rate is subject to adjustment as stipulated in the Agreement. Upon liquidation, the Series B Stock would be junior to the Corporation's Series A Preferred Stock and would share ratably with the common stock with respect to liquidating distributions.

Since, the Company raised in excess of $2,500,000 in fiscal 1999 from the sale of its common shares and the Company's common shares maintained a minimum closing bid price in excess of $2.00 per shares for 10 consecutive trading days, then the Company's right, pursuant to the terms of the Agreement and the Certificate of Designation to repurchase or redeem such shares of Series B Stock from the holders for total consideration of $0.10 per share was eliminated.

NOTE 8 - STOCKHOLDERS' EQUITY. (Continued)

(b) Common Stock:

On May 15, 1997, the Company commenced a private securities offering pursuant to Rule 506 of Regulation D of the Securities Act of 1933, as amended, of up to 400 units, each unit consisting of 10,000 shares of common stock being offered at a price of $5,000 per unit. The Company used a placement agent for such offering who received a sales commission equal to 10% of the offering price of each unit sold. In connection with the offering, 369 units were sold for gross receipts of $1,845,000 from which the agent was paid a commission of $184,500 for net of $1,660,500 to the Company.

In March 1998, the Company sold 250,000 shares of common stock at $.50 per share realizing $125,000.

The stockholders at the 1998 annual meeting approved the reduction of the par value of the common stock from $0.10 per share to $0.001 per share.

The stockholders at the 2000 annual meeting approved amending the authorized common stock to 75 million shares from 30 million shares.

Commencing in May 1999 through July 1999, the Company sold 688,335 shares of its common stock to accredited investors for $538,492 net of offering costs. In December 1999, accredited investors purchased 5,187,500 shares of the Company's common stock for $3,715,744, net of offering costs. During the six months ended June 30, 2000, the Company sold 1,676,250 shares of common stock at $.80 per share realizing $1,206,770, net of offering costs.

The Company in 1999 issued 5,000 shares of its common stock whose fair value was $5,000 to its President as a signing bonus, which was charged to operations at the time of issuance. The Company also issued in 1999, 25,000 shares of its common stock whose fair value was $25,000 at the date of issuance to a public relations consultant for future services. The arrangement with the consultant was terminated in 1999 and the fair value of the shares was charged to operations in 1999.

During the quarter ended June 30, 2000, the Company issued 2000 shares of its common stock to a consultant for promotional activities amounting to $5,875.

NOTE 8 - STOCKHOLDERS' EQUITY. (Continued)

(c) Warrants:

The Company has issued common stock purchase warrants from time to time to investors in private placements, certain vendors, underwriters, and directors and officers of the Company.

A total of 101,308 shares of common stock are reserved for issuance upon exercise of warrants as of December 31, 1998 and March 31, 1998. Of these outstanding warrants, warrants for 9,375 common shares at $46.40 per share expired in April 1999. The remaining warrants to acquire 91,933 common shares at exercise prices ranging from $3.20 to $8.10 per share were granted in March 1995 to certain directors, officers and employees who converted previously outstanding stock options under the 1986 Plan into warrants on substantially the same terms as the previously held stock options, except the warrants were immediately vested. During the fiscal 1999, warrants to acquire 22,308 common shares at prices ranging from $3.90 to $46.40 per share expired. No warrants were exercised during any of the periods presented. A total of 79,000 shares of common stock are reserved for issuance upon exercise of outstanding warrants as of December 31, 1999 at prices ranging from $3.20 to $27.50 and expiring through October 2004.

(d) Stock Options Plans:

The Company has two stock option plans. The 1998 Employee Incentive Stock Option Plan provides for the grant of options to purchase shares of the Company's common stock to employees. The 1992 Stock Option Plan provides for the grant of options to directors.

NOTE 8 - STOCKHOLDERS' EQUITY. (Continued)

(d) Stock Options Plans: (Continued)

In April 1992, the Company adopted the 1992 Stock Option Plan to provide for the granting of options to directors. According to the terms of this plan, each director is granted options to purchase 1,500 shares each year. The maximum amount of the Company's common stock that may be granted under this plan is 20,000 shares. Options are exercisable at the fair market value of the common stock on the date of grant and have five year terms.

Under the 1998 Plan, the maximum aggregate number of shares which may be issued under options has been amended to 3,000,000 from 300,000 shares of common stock. The aggregate fair market value (determined at the time the option is granted) of the shares for which incentive stock options are exercisable for the first time under the terms of the 1998 Plan by any eligible employee during any calendar year cannot exceed $100,000. The option exercise price of each option is 100% of the fair market value of the underlying stock on the date of the options are granted, except that no option will be granted to any employee who, at the time the option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Corporation or any subsidiary unless (a) at the time the options are granted, the option exercise price is at least 110% of the fair market value of the shares of common stock subject to the options and (b) the option by its terms is not exercisable after the expiration of five years from the date such option is granted.

The 1998 Plan will be administered by a committee of disinterested directors of the Board of Directors of the Corporation ("Option Committee"). In 1999, options to acquire 100,000 common shares at $1.00 per share were granted to an officer and an option to acquire 25,000 common shares at $0.6875 per share was issued to a consultant were granted under the 1998 Plan. In May 1997, a director was granted an option to acquire 1,500 common shares at `$0.3125 per share were granted under the 1992 Plan. In February 2000, the Company's CEO was granted an option to acquire 75,000 common shares of $1.10 per share in the 1998 plan.

Information with respect to options under the 1992 and 1998 Stock Option Plans is summarized as follows:

	For the Six Months Ended June 30,			
	2000		1999	
	Shares	Prices	Shares	Prices
Outstanding at beginning of period	128,000	$0.31 to $1.00	3,000	$0.31 to $0.40
Options issued	75,000	$ 1.10	--	
Outstanding at end of period	203,000	$0.31 to $1.10	3,000	$0.31 to $0.40

NOTE 8 - STOCKHOLDERS' EQUITY. (Continued)

(d) Stock Options Plans: (Continued)

Outstanding options expire 90 days after termination of holder's status as employee or director.

All options were granted at an exercise price equal to the fair value of the common stock at the grant date. Therefore, in accordance with the provisions of APB Opinion No. 25 related to fixed stock options, no compensation expense is recognized with respect to options granted or exercised. Under the alternative fair-value based method defined in SFAS No. 123, the fair value of all fixed stock options on the grant date would be recognized as expense over the vesting period. Assuming the fair market value of the stock at the date of grant to be $.3125 per share in May 1996, $.40625 per share in May 1997, $.6875 in January 1999 and $1.00 per share in September 1999, the life of the options to be from three to ten years, the expected volatility at 200%, expected dividends are none, and the risk-free interest rate of 10%, the Company would have recorded compensation expense of $10,523 for the six months ended June 30, 2000 and $1,938 for the three months ended June 30, 2000 as calculated by the Black-Scholes option pricing model. As such, pro-forma net loss and loss per share would be as follows:

	For the Six Months Ended June 30, 2000	For the Three Months Ended June 30, 2000
Net loss as reported	$ (581,162)	$ (382,021)
Additional compensation	10,523	1,938
	$ (591,685)	$ (383,959)
Loss per share as reported	$ (0.04)	$ (0.03)
Adjusted loss per share	$ (0.04)	$ (0.03)

As the number of options granted at December 31, 1998 and March 31, 1998 is immaterial, recognizing the expense would not have a material effect on the Company's financial statements for the three months and six months ended June 30, 1999.

NOTE 9 - INCOME TAXES.

The Company has received permission from the Internal Revenue Service to change its taxable year-end from March 31, to December 31, effective with the December 31, 1998 period.

The differences between income taxes computed using the statutory federal income tax rate and that shown in the financial statements are summarized as follows:

	For the Six Months Ended June 30,			
	2000	%	1999	%
Loss before income taxes and preferred dividend	$ 556,792	--	$ (993,798)	--
Computed tax benefit at statutory rate	$ (189,300)	(34.0)	$ (337,900)	(34.0)
Foreign subsidiary income not subject to U.S. taxes	(49,700)	(9.2)	(7,560)	(.8)
Net operating loss valuation reserve	239,000	43.2	345,460	34.8
Total tax benefits	$ --	--	$ --	--

There are no significant differences between the financial statement and tax basis of assets and liabilities and, accordingly, no deferred tax provision/benefit is required.

The Tax Reform Act of 1986 enacted a complex set of rules limiting the utilization of net operating loss carryforwards to offset future taxable income following a corporate ownership change. The Company's ability to utilize its NOL carryforwards is limited following a change in ownership in excess of fifty percentage points during any three year period. Upon receipt of the proceeds from the last foreign purchasers of the Company's common stock in January 2000, common stock ownership changed in excess of 50% during the three year period then ended. The utilization of the Company's net operating loss carryforward at December 31, 1999 of $2,063,000 was not negatively impacted by this ownership change. The future tax benefit of the net operating loss carryforward aggregated $701,000 at December 31, 1999 has been fully reserved as it is not more likely than not that the Company will be able to use the operating loss in the future.

NOTE 10 - COMMITMENTS, CONTINGENCIES AND OTHER.

(a) Leases:

Commencing in August 1998, the Company entered into short-term operating leases for its general office space and certain office equipment. Prior to August 1998, the Company did not incur rent expense as it was inactive. Rent expense charged to operations for the six and three months ended June 30, 2000 and 1999 was $25,050 and $12,525, respectively in each period. Future minimum annual rent commitments under operating leases as of June 30, 2000 are as follows:

Years Ending June 30,	
2001	$50,000
2002	4,167
	$54,167

(b) Investment Contract:

The Corporation has entered into an investment advisory agreement with AIG Global Investment Corporation ("AIG") under which AIG will function as investment advisor and manager of all the Corporation's investable assets. AIG provides management services to all affiliated insurance companies of American International Group and other third-party institutions on a world-wide basis.

(c) Year 2000:

Although the Company has had limited operations through December 31, 1999, it recognized the need to ensure that its operations will not be adversely effected by Year 2000 software or hardware failures. The Company in developing its software and hardware made certain that all its systems were compliant with Year 2000 requirements. The Company has not experienced any adverse computer hardware or software effect to date. If, despite the Company's effects under its Year 2000 related failures affecting the Company from outside sources, management at the present time does not believe the impact will be substantial.

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the various expenses and costs expected to be incurred in connection with the issuance and distribution of the securities to be registered. All of the amounts shown are estimated, except for the Securities and Exchange Commission registration fee.

Securities and Exchange Commission registration fee	$ [6,392]
Legal fees and expenses	*
Accounting fees and expenses	*
	*
Miscellaneous expenses	
Total	$ *

* To be supplied by amendment.

ITEM 14. INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 145 of the Delaware General Corporation Law provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against amounts paid and expenses incurred in connection with an action or proceeding to which he is or is threatened to be made a party by reason of such position, if the person shall have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal proceeding, if the person had no reasonable cause to believe his conduct was unlawful; provided that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any matter as to which the person shall have been adjudged to be liable to the corporation unless and only to the extent that the adjudicating court determines that indemnification is proper under the circumstances.

Article X of the amended Certificate of Incorporation (the "Certificate") of Corniche Group Incorporated ("Corniche") provides that no director of Corniche shall be personally liable to Corniche or its stockholders for monetary damage for breach of fiduciary duty as a director, except for liability

- for any breach of the director's duty of loyalty to Corniche or its stockholders,
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law,
- under Section 174 of the Delaware General Corporation Law, or
- for any transaction from which the director derived any improper personal benefit.

Article VI of the amended Certificate also provides that Corniche's Board of Directors has the power on behalf of Corniche to indemnify any person, other than a director, officer, employee, or agent of Corniche made a party to any action, suit or proceeding by reason of the fact that he is or was a director, officer, employee or agent of Corniche.

Article V of Corniche's amended bylaws (the "Bylaws") provides that Corniche may indemnify any and all persons who it shall have power to indemnify against any and all expenses, liabilities or other matters to the fullest extent authorized under Delaware law.

Corniche has directors' and officers' liability insurance covering its directors and officers.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

Summarized below are issuances of securities by Corniche that have occurred since September 30, 1997, that were not registered under the Securities Act. None of the following transactions involved any underwriters, underwriter discounts or commissions, or any public offering, and Corniche believes that each transaction was exempt from the registration requirements of the Securities Act by virtue of Section 4(2) thereof, Regulation D promulgated thereunder or Rule 701 pursuant to compensatory benefit plans and contracts relating to compensation as provided under Rule 701. The recipients in these transactions represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were affixed to the share certificates and instruments issued in the transactions.

COMMON STOCK / SERIES B CONVERTIBLE REDEEMABLE PREFERRED STOCK

DATE SOLD	TITLE AND AMOUNT OF SECURITIES	PURCHASER	CONSIDERATION RECEIVED
March 1998	250,000 shares of common stock	A group of 2 accredited investors	An aggregate amount of $125,000
May 1998	875,000 shares of Series B convertible redeemable preferred stock	A group of 6 accredited investors	An aggregate amount of $87,500
January 1999	25,000 shares of common stock	A consultant	Consulting services valued at $25,000
February 1999	5,000 shares of common stock	Robert H. Benoit, President	Signing bonus valued at $5,000
May 1999 - July 1999	688,335 shares of common stock	A group of 27 accredited investors	An aggregate amount of $619,499.90
October - November 1999	250,000 shares of common stock	A group of 10 accredited investors	An aggregate amount of $250,000
December 1999 - April 2000	6,863,750 shares of common stock	A group of 18 accredited investors	An aggregate amount of $5,491,000
August 2000	5,000 shares of common stock	A group of 2 accredited investors	Consulting services valued at $9,250
August 2000	4,500 shares of common stock	James J. Fyfe, Chairman of the Board of Directors	Consulting services valued at $8,325

STOCK OPTIONS

- Pursuant to Corniche's 1998 Stock Plan, between September 30, 1997, and the date hereof, Corniche granted options to four employees and one consultant to purchase an aggregate of 403,000 shares of its common stock at exercise prices ranging from $.31 to $1.097 per share.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits:

The exhibits are as set forth in the Exhibit Index.

(b) Financial Statement Schedules:

No financial statement schedules are filed because the required information is not applicable or is included in the financial statements or related notes.

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts of events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post- effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be in the initial bona fide offering thereof.

(3) For determining liability under the Securities Act of 1933, treat each post-effective amendment as a new registration statement of the securities offered, and the offering of the securities at that time to be the initial bona fide offering.

(4) File a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering.

(5) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(6) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by Corniche pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(7) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new Registration Statement relating to the securities offered therein and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of Corniche pursuant to the foregoing provisions, or otherwise, Corniche has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. If a claim for indemnification against such liabilities (other than the payment by Corniche of expenses incurred or paid by a director, officer or controlling person of Corniche in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, then Corniche will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Corniche has duly caused this Registration Statement to be signed on its behalf by the undersigned, hereunto duly authorized, in the City of Euless, State of Texas as of October 3, 2000.

CORNICHE GROUP INCORPORATED

By: /s/ ROBERT F. BENOIT

Robert F. Benoit
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that each of the undersigned officers and directors of Corniche Group Incorporated hereby constitutes and appoints Robert F. Benoit, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and on his behalf and in his name, place and stead, in any and all capacities, to sign, execute and file any and all documents relating to this Registration Statement, including any and all amendments, exhibits and supplements thereto and including any Registration Statement filed pursuant to Rule 462(b) of the Securities Act of 1933, with any regulatory authority, granting unto said attorney full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises to effectuate the same as fully to all intents and purposes as he himself might or could do if personally present, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute, may lawfully do or cause to be done.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated as of October 3, 2000.

NAME	TITLE	DATE
/s/ ROBERT F. BENOIT --- Robert F. Benoit	Chief Executive Officer, Director	October 3, 2000
/s/ ROBERT H. HUTCHINS --- Robert H. Hutchins	President, Director	October 3, 2000
/s/ JOHN L. KING --- John L. King	Vice President, Chief Financial Officer	October 3, 2000
/s/ JAMES J. FYFE --- James J. Fyfe	Chairman of the Board of Directors	October 3, 2000
/s/ PAUL L. HARRISON --- Paul L. Harrison	Director	October 3, 2000
/s/ JOSEPH P. RAFTERY --- Joseph P. Raftery	Director	October 3, 2000

INDEX TO EXHIBITS

EXHIBIT NUMBER		DESCRIPTION
3	(a)	Certificate of Incorporation filed September 18, 1980(1)
	(b)	Amendment to Certificate filed September 29, 1980(1)
	(c)	Amendment to Certificate of Incorporation filed July 28, 1983(2)
	(d)	Amendment to Certificate of Incorporation filed February 10, 1984(2)
	(e)	Amendment to Certificate of Incorporation filed March 31, 1986(3)
	(f)	Amendment to Certificate of Incorporation filed March 23, 1987(4)
	(g)	Amendment to Certificate of Incorporation filed June 12, 1990(5)
	(h)	Amendment to Certificate of Incorporation filed September 27, 1991(6)
	(i)	Certificate of Designation filed November 12, 1994(7)
	(j)	Amendment to Certificate of Incorporation filed September 2, 1995(1)
	(k)	Certificate of Designation for the Series B Preferred Stock dated May 18, 1998(12)
	(l)	By-laws of the Corporation, as amended on April 25, 1991(6)
	(m)	Amendment to Certificate of Incorporation dated May 18, 1998(12)
4	(a)	1992 Stock Option Plan(8)
	(b)	Form of 1992 Incentive Stock Option Agreement, filed herewith
	(c)	Form of 1992 Non-Qualified Stock Option Agreement, filed herewith
	(d)	Stock Purchase Agreement dated as of January 30, 1997 by and among the Company, the Bank of Scotland and 12 buyers(10)
	(e)	Mutual Release dated as of January 30, 1997 by and among the Company, James Fyfe and the Bank of Scotland(10)
	(f)	Stock Purchase Agreement, dated as of March 4, 1998, between the Company and the Initial Purchasers named therein(12)
	(g)	1998 Employees Stock Option Plan(12)
	(h)	Form of 1998 Incentive Stock Option Agreement, filed herewith
	(i)	Form of 1998 Non-Qualified Stock Option Agreement, filed herewith
	(j)	1998 Independent Director Compensation Plan, filed herewith

EXHIBIT NUMBER		DESCRIPTION
5	(a)	Opinion of Haynes and Boone, LLP, filed herewith
10	(a)	Employment Agreement by and between the Company and Robert F. Benoit, dated February 15, 1999, filed herewith
	(b)	Employment Agreement by and between the Company and John L. King, dated June 27, 2000, filed herewith
	(c)	Employment Agreement by and between the Company and David H. Boltz, dated June 26, 2000, filed herewith
	(d)	Lease Agreement by and between Shoal Creek No. 2, L.L. and the Company dated July 7, 1998, to be filed by Amendment
23	(a)	Consent of Weinick Sanders Leventhal & Co., LLP
	(b)	Consent of Simontacchi & Company, LLP
27	(a)	Financial Data Schedule, filed herewith

Notes:

(1) Filed with the Securities and Exchange Commission as an exhibit, numbered as indicated above, to our registration statement on Form S-18, File No. 2-69627, which exhibit is incorporated here by reference.

(2) Filed with the Securities and Exchange Commission as an exhibit, numbered as indicated above, to our registration statement on Form S-288712, which exhibit is incorporated here by reference.

(3) Filed with the Securities and Exchange Commission as an exhibit, numbered as indicated above, to our registration statement on Form S-2, File No. 33-4458, which exhibit is incorporated here by reference.

(4) Filed with the Securities and Exchange Commission as an exhibit, numbered as indicated above, to our annual report on Form 10-K for the year ended September 30, 1987, which exhibit is incorporated here by reference.

(5) Filed with the Securities and Exchange Commission as an exhibit, numbered as indicated above, to our registration statement on Form S-3, File No. 33-42154, which exhibit is incorporated here by reference.

(6) Filed with the Securities and Exchange Commission as an exhibit, numbered as indicated above, to our registration statement on Form S-1, File No. 33-42154, which exhibit is incorporated here by reference.

(7) Filed with the Securities and Exchange Commission as an exhibit, numbered as indicated above, to our registration statement on Form 10-K for the year ended September 30, 1994, which exhibit is incorporated here by reference.

(8) Filed with the Securities and Exchange Commission as an exhibit, numbered as indicated above, to our proxy statement dated March 30, 1992, which exhibit is incorporated here by reference.

(9) Filed with the Securities and Exchange Commission as an exhibit, numbered as indicated above, to our current report on Form 8-K, dated April 5, 1995, which exhibit is incorporated here by reference.

(10) Filed with the Securities and Exchange Commission as an exhibit, numbered as indicated above, to our annual report on Form 10-K for the year ended March 31, 1996, which exhibit is incorporated here by reference.

(11) Filed with the Securities and Exchange Commission as an exhibit, numbered as indicated above, to our annual report on Form 10K/A for the year ended March 31, 1996, which exhibit is incorporated here by reference.

(12) Filed with the Securities and Exchange Commission as an exhibit, numbered as indicated above, to our proxy statement dated April 23, 1998, which exhibit is incorporated here by reference.

EXHIBIT 4(b)

INCENTIVE STOCK OPTION AGREEMENT

CORNICHE GROUP INCORPORATED
1992 STOCK OPTION PLAN FOR DIRECTORS

1. Grant of Option. Pursuant to the Corniche Group Incorporated 1992 Stock Option Plan for Directors (the "Plan") of Corniche Group Incorporated, a Delaware corporation (the "Company"), the Company grants to

---
(the "Participant"),

an option to purchase shares of Common Stock of the Company ("Common Stock") as follows.

On the date hereof, the Company grants to the Participant an option (the "Option" or " Stock Option") to purchase one thousand five hundred (1,500) full shares (the "Optioned Shares") of Common Stock at a purchase price equal to $_____ per share (the "Option Price") (being the Fair Market Value per share of the Common Stock on this Date of Grant or 110% of such Fair Market Value in the case of a ten percent (10%) or more stockholder as provided in Code Section 422). The date of grant of this Stock Option is _____, 2000 (the "Date of Grant").

The "Option Period" shall commence on the Date of Grant and shall expire on the date immediately preceding the tenth (10th) anniversary of the Date of Grant (or the date immediately preceding the fifth (5th) anniversary of the Date of Grant in the case of a ten percent (10%) or more stockholder as provided in Code Section 422). This Stock Option is intended to be an incentive stock option.

2. Subject to Plan. The Stock Option and its exercise are subject to the terms and conditions of the Plan, and the terms of the Plan shall control to the extent not otherwise inconsistent with the provisions of this Agreement. The capitalized terms used herein that are defined in the Plan shall have the same meanings assigned to them in the Plan. The Stock Option is subject to any rules promulgated pursuant to the Plan by the Board of Directors of the Company (the "Board") or the Committee and communicated to the Participant in writing.

3. Vesting; Time of Exercise. Except as specifically provided in this Agreement and subject to certain restrictions and conditions set forth in the Plan, one hundred percent (100%) of this Stock Option shall be vested and exercisable on the first anniversary of the Date of Grant, provided the Participant is then a director of the Company or a subsidiary thereof or a director of a parent corporation (as defined in Section 17 of the Plan) and further provided the Participant has been a director of the Company or subsidiary corporation (as defined in Section 17 of the Plan) (or in the continuous employ of a parent corporation (as defined in section 17 of the Plan) of the Company), or any combination thereof, from the Date of Grant to such vesting date.

4. Term; Forfeiture. For purposes of this Agreement, while the Participant is a director of (i) the Company, (ii) any parent of the Company, or (iii) any subsidiary of the Company, he is a "Director." If this Stock Option is not vested on the date the Participant ceases to be a Director (the "Termination Date"), then this Stock Option shall immediately terminate and be forfeited on such Termination Date. Except as otherwise provided in this Agreement, the unexercised portion of the Stock Option that is vested on the Termination Date will terminate and be forfeited at the first of the following to occur:

i. 5 p.m. on the date the Option Period terminates;

ii. 5 p.m. on the date which is three (3) years following the Participant's Termination Date in the event the Participant ceases to be a Director for any reason other than death or permanent and total disability (as defined in Section 22(e)(3) of the Code);

iii. 5 p.m. on the date which is four (4) years following the Participant's Termination Date in the event the Participant ceases to be a Director as a result of the Participant's permanent and total disability (as defined in Section 22(e)(3) of the Code); or

iv. 5 p.m. on the date which is five (5) years following the Participant's Termination Date in the event the Participant ceases to be a Director as a result of the Participant's death.

5. Who May Exercise. Subject to the terms and conditions set forth in Sections 3 and 4 above, during the lifetime of the Participant, the Stock Option may be exercised only by the Participant, or by the Participant's guardian or personal or legal representative. If the Participant ceases to be a Director as a result of the Participant's death prior to the date specified in Section 4.i., or if the Participant ceases to be a Director for any reason other than death but the Participant dies prior to the forfeiture dates specified in Section 4 hereof, and if the Participant dies without having exercised this Stock Option as to the maximum number of Optioned Shares with respect to which the Stock Option is vested as set forth in Section 3 hereof as of the date of death, then the following persons may exercise the vested and exercisable portion of the Stock Option on behalf of the Participant at any time prior to the earliest of the forfeiture dates applicable to the Participant as specified in Section 4 hereof: the personal representative of his estate, or the person who acquired the right to exercise the Stock Option by bequest or inheritance or by reason of the death of the Participant; provided that the Stock Option shall remain subject to the other terms of this Agreement, the Plan, and applicable laws, rules, and regulations.

6. No Fractional Shares. The Stock Option may be exercised only with respect to full shares, and no fractional share of stock shall be issued.

7. Manner of Exercise. Subject to such administrative regulations as the Committee may from time to time adopt, the Stock Option may be exercised by the delivery of written notice to the Committee setting forth the number of Optioned Shares with respect to which the Stock Option is to be exercised, the date of exercise thereof (the "Exercise Date") which shall be

at least three (3) days after giving such notice unless an earlier time shall have been mutually agreed upon, and whether the Optioned Shares to be exercised will be considered as deemed granted under an incentive stock option as provided in Section 11. On the Exercise Date, the Participant shall deliver to the Company consideration with a value equal to the total Option Price of the Optioned Shares to be purchased, payable as follows: (a) cash, check, bank draft, or money order payable to the order of the Company or (b) Common Stock owned by the Participant at least six months prior to the Exercise Date, valued at its Fair Market Value on the Exercise Date.

Upon payment of all amounts due from the Participant, the Company shall cause certificates for the Optioned Shares then being purchased to be delivered to the Participant (or the person exercising the Participant's Stock Option in the event of his death) at its principal business office within ten (10) business days after the Exercise Date. The obligation of the Company to deliver shares of Common Stock shall, however, be subject to the condition that, if at any time the Company shall determine in its discretion that the listing, registration, or qualification of the Stock Option or the Optioned Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary as a condition of, or in connection with, the Stock Option or the issuance or purchase of shares of Common Stock thereunder, then the Stock Option may not be exercised in whole or in part unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not reasonably acceptable to the Committee.

If the Participant fails to pay for any of the Optioned Shares specified in such notice or fails to accept delivery thereof, then the Stock Option, and right to purchase such Optioned Shares may be forfeited by the Company.

8. Nonassignability. The Stock Option is not assignable or transferable by the Participant except by will or by the laws of descent and distribution or pursuant to a domestic relations order that would qualify as a qualified domestic relations order as defined in Section 414(p) of the Code, if such provision were applicable to the Stock Option.

9. Rights as Stockholder. The Participant will have no rights as a stockholder with respect to any shares covered by the Stock Option until the issuance of a certificate or certificates to the Participant for the Optioned Shares. The Optioned Shares shall be subject to the terms and conditions of this Agreement regarding such shares. Except as otherwise provided in Section 10 hereof, no adjustment shall be made for dividends or other rights for which the record date is prior to the issuance of such certificate or certificates.

10. Adjustment of Number of Optioned Shares and Related Matters. The number of shares of Common Stock covered by the Stock Option, and the Option Price thereof, shall be subject to adjustment in accordance with Section 11 of the Plan.

11. Incentive Stock Option. Subject to the provisions of the Plan, this Stock Option is an incentive stock option. To the extent the number of Optioned Shares exceeds the limit set forth in Section 422 (d) of the Code, or to the extent the Participant exercises this Stock Option beyond the applicable periods provided in Section 422(a)(2) or 422(c)(6) of the Code, then the exercised Optioned Shares shall be deemed granted pursuant to a nonqualified stock option.

Unless otherwise indicated by the Participant in the notice of exercise pursuant to Section 7, upon any exercise of this Stock Option, the number of exercised Optioned Shares that shall be deemed to be exercised pursuant to an incentive stock option shall equal the total number of Optioned Shares so exercised multiplied by a fraction, (i) the numerator of which is the number of unexercised Optioned Shares that could then be exercised pursuant to an incentive stock option and (ii) the denominator of which is the then total number of unexercised Optioned Shares.

12. Disqualifying Disposition. In the event that Common Stock acquired upon exercise of this Stock Option is disposed of by the Participant in a "Disqualifying Disposition," such Participant shall notify the Company in writing within thirty (30) days after such disposition of the date and terms of such disposition. For purposes hereof, "Disqualifying Disposition" shall mean a disposition of Common Stock that is acquired upon the exercise of this Stock Option (and that is not deemed granted pursuant to a nonqualified stock option under Section 11) prior to the expiration of either two years from the Date of Grant of this Stock Option or one year from the transfer of shares to the Participant pursuant to the exercise of this Stock Option.

13. Community Property. Each spouse individually is bound by, and such spouse's interest, if any, in any Optioned Shares is subject to, the terms of this Agreement. Nothing in this Agreement shall create a community property interest where none otherwise exists.

14. Participant's Representations. Notwithstanding any of the provisions hereof, the Participant hereby agrees that he will not exercise the Stock Option granted hereby, and that the Company will not be obligated to issue any shares to the Participant hereunder, if the exercise thereof or the issuance of such shares shall constitute a violation by the Participant or the Company of any provision of any law or regulation of any governmental authority. Any determination in this connection by the Company shall be final, binding, and conclusive. The obligations of the Company and the rights of the Participant are subject to all applicable laws, rules, and regulations.

15. Investment Representation. Unless the Common Stock is issued to him in a transaction registered under applicable federal and state securities laws, by his execution hereof, the Participant represents and warrants to the Company that all Common Stock which may be purchased hereunder will be acquired by the Participant for investment purposes for his own account and not with any intent for resale or distribution in violation of federal or state securities laws. Unless the Common Stock is issued to him in a transaction registered under the applicable federal and state securities laws, all certificates issued with respect to the Common Stock shall bear an appropriate restrictive investment legend and shall be held indefinitely, unless they are subsequently registered under the applicable federal and state securities laws or the Participant obtains an opinion of counsel, in form and substance satisfactory to the Company and its counsel, that such registration is not required.

16. Participant's Acknowledgments. The Participant acknowledges receipt of a copy of the Plan, which is annexed hereto, and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Option subject to all the terms and provisions thereof. The Participant hereby agrees to accept as binding, conclusive, and final all decisions

or interpretations of the Committee or the Board, as appropriate, upon any questions arising under the Plan or this Agreement.

17. Law Governing. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Texas (excluding any conflict of laws rule or principle of Texas law that might refer the governance, construction, or interpretation of this agreement to the laws of another state).

18. No Right to Continue Service. Nothing herein shall be construed to confer upon the Participant the right to continue to provide services to the Company or to any parent or subsidiary of the Company, whether as a consultant or as an outside director, or interfere with or restrict in any way the right of the Company or any parent or subsidiary of the Company to discharge the Participant as a consultant or outside director at any time.

19. Legal Construction. In the event that any one or more of the terms, provisions, or agreements that are contained in this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect for any reason, the invalid, illegal, or unenforceable term, provision, or agreement shall not affect any other term, provision, or agreement that is contained in this Agreement and this Agreement shall be construed in all respects as if the invalid, illegal, or unenforceable term, provision, or agreement had never been contained herein.

20. Covenants and Agreements as Independent Agreements. Each of the covenants and agreements that is set forth in this Agreement shall be construed as a covenant and agreement independent of any other provision of this Agreement. The existence of any claim or cause of action of the Participant against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements that are set forth in this Agreement.

21. Entire Agreement. This Agreement together with the Plan supersede any and all other prior understandings and agreements, either oral or in writing, between the parties with respect to the subject matter hereof and constitute the sole and only agreements between the parties with respect to the said subject matter. All prior negotiations and agreements between the parties with respect to the subject matter hereof are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement or the Plan and that any agreement, statement or promise that is not contained in this Agreement or the Plan shall not be valid or binding or of any force or effect.

22. Parties Bound. The terms, provisions, and agreements that are contained in this Agreement shall apply to, be binding upon, and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, and permitted successors and assigns, subject to the limitation on assignment expressly set forth herein.

23. Modification. No change or modification of this Agreement shall be valid or binding upon the parties unless the change or modification is in writing and signed by the

parties. Notwithstanding the preceding sentence, the Company may amend the Plan or revoke this Stock Option to the extent permitted by the Plan.

24. Headings. The headings that are used in this Agreement are used for reference and convenience purposes only and do not constitute substantive matters to be considered in construing the terms and provisions of this Agreement.

25. Gender and Number. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

26. Notice. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered only when actually received by the Company or by the Participant, as the case may be, at the addresses set forth below, or at such other addresses as they have theretofore specified by written notice delivered in accordance herewith:

a. Notice to the Company shall be addressed and delivered as follows:

Corniche Group Incorporated
610 South Industrial Blvd., Suite 220
Euless, Texas 76040
Attn: ----------
Facsimile: ----------

b. Notice to the Participant shall be addressed and delivered as set forth on the signature page.

27. Tax Requirements. The Participant, upon exercise of any portion of the Stock Option, shall be required to pay the Company the amount of all taxes which the Company is required to withhold as a result of the exercise of the Stock Option; such obligation to pay such taxes may be satisfied by any of the following or any combination thereof: (i) the delivery of cash to the Company in an amount that equals or exceeds (to avoid the issuance of fractional shares under (iii) below) the required tax withholding obligation of the Company; (ii) the actual delivery by the exercising Participant to the Company of shares of Common Stock that the Participant owns but has not acquired from the Company within six months prior to the date of exercise, which shares so delivered have an aggregate Fair Market Value that equals or exceeds (to avoid the issuance of fractional shares under (iii) below) the required tax withholding payment; or (iii) the Company's withholding of a number of shares to be delivered upon the exercise of the Stock Option which shares so withheld have an aggregate Fair Market Value that equals (but does not exceed) the required tax withholding payment; provided that, shares cannot be withheld in connection with the exercise of a Stock Option in excess of the minimum number required for tax withholding, and to permit the Stock Option to be accounted for as a fixed award. Any such withholding payments with respect to the exercise of any portion of the Stock Option in cash or by actual delivery of shares of Common Stock shall be required to be made within thirty (30) days after the delivery to the Participant of any certificate representing the shares of Common Stock acquired upon exercise of the Stock Option.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and the Participant, to evidence his consent and approval of all the terms hereof, has duly executed this Agreement, as of the date specified in Section 1 hereof.

CORNICHE GROUP INCORPORATED

By:

Name:

Title:

PARTICIPANT:

Signature

Name:

Address:

EXHIBIT 4(c)

NONQUALIFIED STOCK OPTION AGREEMENT

CORNICHE GROUP INCORPORATED
1992 STOCK OPTION PLAN FOR DIRECTORS

1. Grant of Option. Pursuant to the Corniche Group Incorporated 1992 Stock Option Plan for Directors (the "Plan") of Corniche Group Incorporated, a Delaware corporation (the "Company"), the Company grants to

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(the "Participant"),

an option to purchase shares of Common Stock of the Company ("Common Stock") as follows.

On the date hereof, the Company grants to the Participant an option (the "Option" or "Stock Option") to purchase one thousand five hundred (1,500) full shares (the "Optioned Shares") of Common Stock at a purchase price equal to $_____ per share (the "Option Price"). The date of grant of this Stock Option is _____, 2000 (the "Date of Grant").

The "Option Period" shall commence on the Date of Grant and shall expire on the date immediately preceding the tenth (10th) anniversary of the Date of Grant. The Stock Option is a nonqualified stock option.

2. Subject to Plan. The Stock Option and its exercise are subject to the terms and conditions of the Plan, and the terms of the Plan shall control to the extent not otherwise inconsistent with the provisions of this Agreement. The capitalized terms used herein that are defined in the Plan shall have the same meanings assigned to them in the Plan. The Stock Option is subject to any rules promulgated pursuant to the Plan by the Board of Directors of the Company (the "Board") or the Committee and communicated to the Participant in writing.

3. Vesting; Time of Exercise. Except as specifically provided in this Agreement and subject to certain restrictions and conditions set forth in the Plan, one hundred percent (100%) of this Stock Option shall be vested and exercisable on the first anniversary of the Date of Grant, provided the Participant has been a director of the Company, any parent of the Company, or any subsidiary of the Company from the Date of Grant to such vesting date.

4. Term; Forfeiture. For purposes of this Agreement, while the Participant is a director of (i) the Company, (ii) any parent of the Company, or (iii) any subsidiary of the Company, he is a "Director." If this Stock Option is not vested on the date the Participant ceases to be a Director (the "Termination Date"), then this Stock Option shall immediately terminate and be forfeited on such Termination Date. Except as otherwise provided in this Agreement, the unexercised portion of the Stock Option that is vested on the Termination Date will terminate and be forfeited at the first of the following to occur:

i. 5 p.m. on the date the Option Period terminates;

ii. 5 p.m. on the date which is three (3) years following the Participant's Termination Date in the event the Participant ceases to be a Director for any reason other than death or permanent and total disability (as defined in Section 22(e)(3) of the Code);

iii. 5 p.m. on the date which is four (4) years following the Participant's Termination Date in the event the Participant ceases to be a Director as a result of the Participant's permanent and total disability (as defined in Section 22(e)(3) of the Code); or

iv. 5 p.m. on the date which is five (5) years following the Participant's Termination Date in the event the Participant ceases to be a Director as a result of the Participant's death.

5. Who May Exercise. Subject to the terms and conditions set forth in Sections 3 and 4 above, during the lifetime of the Participant, the Stock Option may be exercised only by the Participant, or by the Participant's guardian or personal or legal representative. If the Participant ceases to be a Director as a result of the Participant's death prior to the date specified in Section 4.i., or if the Participant ceases to be a Director for any reason other than death but the Participant dies prior to the forfeiture dates specified in Section 4 hereof, and if the Participant dies without having exercised this Stock Option as to the maximum number of Optioned Shares with respect to which the Stock Option is vested as set forth in Section 3 hereof as of the date of death, then the following persons may exercise the vested and exercisable portion of the Stock Option on behalf of the Participant at any time prior to the earliest of the forfeiture dates applicable to the Participant as specified in Section 4 hereof: the personal representative of his estate, or the person who acquired the right to exercise the Stock Option by bequest or inheritance or by reason of the death of the Participant; provided that the Stock Option shall remain subject to the other terms of this Agreement, the Plan, and applicable laws, rules, and regulations.

6. No Fractional Shares. The Stock Option may be exercised only with respect to full shares, and no fractional share of stock shall be issued.

7. Manner of Exercise. Subject to such administrative regulations as the Committee may from time to time adopt, the Stock Option may be exercised by the delivery of written notice to the Committee setting forth the number of Optioned Shares with respect to which the Stock Option is to be exercised, the date of exercise thereof (the "Exercise Date") which shall be at least three (3) days after giving such notice unless an earlier time shall have been mutually agreed upon. On the Exercise Date, the Participant shall deliver to the Company consideration with a value equal to the total Option Price of the Optioned Shares to be purchased, payable as follows: (a) cash, check, bank draft, or money order payable to the order of the Company or (b) Common Stock owned by the Participant at least six months prior to the Exercise Date, valued at its Fair Market Value on the Exercise Date.

Upon payment of all amounts due from the Participant, the Company shall cause certificates for the Optioned Shares then being purchased to be delivered to the Participant (or the person exercising the Participant's Stock Option in the event of his death) at its principal business office within ten (10) business days after the Exercise Date. The obligation of the Company to deliver shares of Common Stock shall, however, be subject to the condition that, if at any time the Company shall determine in its discretion that the listing, registration, or qualification of the Stock Option or the Optioned Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary as a condition of, or in connection with, the Stock Option or the issuance or purchase of shares of Common Stock thereunder, then the Stock Option may not be exercised in whole or in part unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not reasonably acceptable to the Committee.

If the Participant fails to pay for any of the Optioned Shares specified in such notice or fails to accept delivery thereof, then the Stock Option, and right to purchase such Optioned Shares may be forfeited by the Company.

8. Nonassignability. The Stock Option is not assignable or transferable by the Participant except by will or by the laws of descent and distribution or pursuant to a domestic relations order that would qualify as a qualified domestic relations order as defined in Section 414(p) of the Code, if such provision were applicable to the Stock Option.

9. Rights as Stockholder. The Participant will have no rights as a stockholder with respect to any shares covered by the Stock Option until the issuance of a certificate or certificates to the Participant for the Optioned Shares. The Optioned Shares shall be subject to the terms and conditions of this Agreement regarding such shares. Except as otherwise provided in Section 10 hereof, no adjustment shall be made for dividends or other rights for which the record date is prior to the issuance of such certificate or certificates.

10. Adjustment of Number of Optioned Shares and Related Matters. The number of shares of Common Stock covered by the Stock Option, and the Option Price thereof, shall be subject to adjustment in accordance with Section 11 of the Plan.

11. Nonqualified Stock Option. The Stock Option shall not be treated as an Incentive Stock Option.

12. Community Property. Each spouse individually is bound by, and such spouse's interest, if any, in any Optioned Shares is subject to, the terms of this Agreement. Nothing in this Agreement shall create a community property interest where none otherwise exists.

13. Participant's Representations. Notwithstanding any of the provisions hereof, the Participant hereby agrees that he will not exercise the Stock Option granted hereby, and that the Company will not be obligated to issue any shares to the Participant hereunder, if the exercise thereof or the issuance of such shares shall constitute a violation by the Participant or the Company of any provision of any law or regulation of any governmental authority. Any determination in this connection by the Company shall be final, binding, and conclusive. The

obligations of the Company and the rights of the Participant are subject to all applicable laws, rules, and regulations.

14. Investment Representation. Unless the Common Stock is issued to him in a transaction registered under applicable federal and state securities laws, by his execution hereof, the Participant represents and warrants to the Company that all Common Stock which may be purchased hereunder will be acquired by the Participant for investment purposes for his own account and not with any intent for resale or distribution in violation of federal or state securities laws. Unless the Common Stock is issued to him in a transaction registered under the applicable federal and state securities laws, all certificates issued with respect to the Common Stock shall bear an appropriate restrictive investment legend and shall be held indefinitely, unless they are subsequently registered under the applicable federal and state securities laws or the Participant obtains an opinion of counsel, in form and substance satisfactory to the Company and its counsel, that such registration is not required.

16. Participant's Acknowledgments. The Participant acknowledges receipt of a copy of the Plan, which is annexed hereto, and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Option subject to all the terms and provisions thereof. The Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Committee or the Board, as appropriate, upon any questions arising under the Plan or this Agreement.

17. Law Governing. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Texas (excluding any conflict of laws rule or principle of Texas law that might refer the governance, construction, or interpretation of this agreement to the laws of another state).

19. No Right to Continue Service. Nothing herein shall be construed to confer upon the Participant the right to continue to provide services to the Company or to any parent or subsidiary of the Company, whether as a consultant or as an outside director, or interfere with or restrict in any way the right of the Company or any parent or subsidiary of the Company to discharge the Participant as a consultant or outside director at any time.

18. Legal Construction. In the event that any one or more of the terms, provisions, or agreements that are contained in this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect for any reason, the invalid, illegal, or unenforceable term, provision, or agreement shall not affect any other term, provision, or agreement that is contained in this Agreement and this Agreement shall be construed in all respects as if the invalid, illegal, or unenforceable term, provision, or agreement had never been contained herein.

19. Covenants and Agreements as Independent Agreements. Each of the covenants and agreements that is set forth in this Agreement shall be construed as a covenant and agreement independent of any other provision of this Agreement. The existence of any claim or cause of action of the Participant against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements that are set forth in this Agreement.

20. Entire Agreement. This Agreement together with the Plan supersede any and all other prior understandings and agreements, either oral or in writing, between the parties with respect to the subject matter hereof and constitute the sole and only agreements between the parties with respect to the said subject matter. All prior negotiations and agreements between the parties with respect to the subject matter hereof are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement or the Plan and that any agreement, statement or promise that is not contained in this Agreement or the Plan shall not be valid or binding or of any force or effect.

21. Parties Bound. The terms, provisions, and agreements that are contained in this Agreement shall apply to, be binding upon, and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, and permitted successors and assigns, subject to the limitation on assignment expressly set forth herein.

22. Modification. No change or modification of this Agreement shall be valid or binding upon the parties unless the change or modification is in writing and signed by the parties. Notwithstanding the preceding sentence, the Company may amend the Plan or revoke this Stock Option to the extent permitted by the Plan.

23. Headings. The headings that are used in this Agreement are used for reference and convenience purposes only and do not constitute substantive matters to be considered in construing the terms and provisions of this Agreement.

24. Gender and Number. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

25. Notice. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered only when actually received by the Company or by the Participant, as the case may be, at the addresses set forth below, or at such other addresses as they have theretofore specified by written notice delivered in accordance herewith:

a. Notice to the Company shall be addressed and delivered as follows:

Corniche Group Incorporated
610 South Industrial Blvd., Suite 220
Euless, Texas 76040
Attn:

Facsimile:
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b. Notice to the Participant shall be addressed and delivered as set forth on the signature page.

26. Tax Requirements. The Participant, upon exercise of any portion of the Stock Option, shall be required to pay the Company the amount of all taxes which the Company is

required to withhold as a result of the exercise of the Stock Option; such obligation to pay such taxes may be satisfied by any of the following or any combination thereof: (i) the delivery of cash to the Company in an amount that equals or exceeds (to avoid the issuance of fractional shares under (iii) below) the required tax withholding obligation of the Company; (ii) the actual delivery by the exercising Participant to the Company of shares of Common Stock that the Participant owns but has not acquired from the Company within six months prior to the date of exercise, which shares so delivered have an aggregate Fair Market Value that equals or exceeds (to avoid the issuance of fractional shares under (iii) below) the required tax withholding payment; or (iii) the Company's withholding of a number of shares to be delivered upon the exercise of the Stock Option which shares so withheld have an aggregate Fair Market Value that equals (but does not exceed) the required tax withholding payment; provided that, shares cannot be withheld in connection with the exercise of a Stock Option in excess of the minimum number required for tax withholding, and to permit the Stock Option to be accounted for as a fixed award. Any such withholding payments with respect to the exercise of any portion of the Stock Option in cash or by actual delivery of shares of Common Stock shall be required to be made within thirty (30) days after the delivery to the Participant of any certificate representing the shares of Common Stock acquired upon exercise of the Stock Option.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and the Participant, to evidence his consent and approval of all the terms hereof, has duly executed this Agreement, as of the date specified in Section 1 hereof.

CORNICHE GROUP INCORPORATED

By: ----------

Name: ----------

Title: ----------

PARTICIPANT:

Signature

Name: ----------

Address: ----------

EXHIBIT 4(h)

CORNICHE GROUP INCORPORATED

INCENTIVE STOCK OPTION AGREEMENT

1. GRANT OF OPTION. Pursuant to the Corniche Group Incorporated 1998 Employees Stock Option Plan (the "Plan") for employees of Corniche Group Incorporated, a Delaware corporation (the "Company"), the Corporation grants to

Robert Benoit

(Name of Option Holder)

an option to purchase from the Company a total of 100,000 full shares of common stock, $.001 par value, of the Company (the "Common Stock") at $1.00 per share (being at least the fair market value per share of the Common Stock on the date of this grant), in the amounts, during the periods, and upon the terms and conditions set forth in this Agreement.

2. TIME OF EXERCISE. This option is exercisable in the following cumulative installments:

First installment. Up to 10% of the total option shares at any time after 1 year from the date of grant.

Second installment. Up to an additional 15% of the total option shares at any time after 2 years from the date of grant.

Third installment. Up to an additional 15% of the total option shares at any time after 3 years from the date of grant.

Fourth installment. Up to an additional 25% of the total option shares at any time after 4 years from the date of grant.

Fifth installment. Up to an additional 35% of the total option shares at any time after 5 years from the date of grant.

Notwithstanding anything to the contrary contained herein, neither this option, nor any installment thereof, may be exercised unless a registration statement pursuant to the Securities Act

of 1933 and applicable state securities laws relating to the Common Stock for which this option is exercisable is in effect at the time of exercise or, in the opinion of the Company's counsel, a valid exception from such registration is available.

If an installment covers a fractional share, such installment will be rounded off to the next highest share, except the final installment, which will be for the balance of the total optioned shares. No part of the option may be exercised after the expiration of ten (10) years from the date of grant.

3. SUBJECT TO PLAN. This option and its exercise are subject to the Plan, but the terms of the Plan shall not be considered an enlargement of any benefits under this Agreement. In case of any conflict between the Plan and this option, the Plan shall control. The defined terms used herein which are defined in the Plan shall have the same meanings defined for and assigned to them in the Plan. In addition, this option is subject to any rules promulgated pursuant to the Plan by the Board of Directors of the Company or any committee thereof which administers the Plan.

4. TERM. This option will terminate at the first of the following:

(a) 5 p.m. on September 27, 2009 (ten years from grant date).

(b) 5 p.m. on the date which is one year after the date of the Option Holder's death.

(c) 5 p.m. on the date which is one year after the date that the Option Holder's service to the Company as an employee terminates for reasons of disability.

(d) 5 p.m. on the date which is 30 days after the date that the Option Holder's service to the Company as an employee terminates for reasons other than death or disability.

5. WHO MAY EXERCISE. During the lifetime of the Option Holder, this option may be exercised only by the Option Holder. If the Option Holder dies prior to the termination date specified in Section 4 hereof without having exercised the option as to all of the shares covered thereby, the

option may be exercised at any time prior to the earlier of the dates specified in Sections 4(a) and (b) hereof by the Option Holder's estate or a person who acquired the right to exercise the option by bequest or inheritance or by reason of the death of the Option Holder, subject to the other terms of this Agreement, the Plan and applicable laws, rules and regulations.

6. RESTRICTIONS ON EXERCISE. This option:

(a) may be exercised only with respect to full shares and no fractional share of stock shall be issued;

(b) may be exercised only if at all times during the period beginning with the date of the granting of the option and ending on the date (one year in the case of termination by reason of death or disability) of exercise the Option Holder was an employee of the Company; provided, if the Option Holder dies within said period, the option may be exercised in accordance with Section 5;

(c) may be exercised only for the shares vested as of the last day of Option Holder's employment by the Company, or as of the date of the Option Holder's death, as the case may be;

(d) may be exercised only in accordance with the other restriction set forth in the Plan.

7. MANNER OF EXERCISE. Subject to such administrative regulations as the Board of Directors (or a committee thereof) may from time to time adopt, this option may be exercised upon written notice to the Company of the number of shares being purchased accompanied by the following:

(a) Full payment of the option price for the shares of Common Stock being purchased, which may be made by cash, certified check, or shares of Common Stock, or any combination thereof (at the option of the Option Holder); and

(b) Such documents as the Company in its discretion deems necessary to evidence the exercise, in whole or in part, of the option.

8. NON-ASSIGNABILITY. This option may not be transferred other than by will or by the laws of descent and distribution. Except as described in the previous sentence, during the Option Holder's lifetime, this option may be exercised only by the Option Holder.

9. NO RIGHTS AS STOCKHOLDER. The Option Holder will have no rights as a stockholder with respect to any shares covered by this option until the issuance of a certificate or certificates to the Option Holder for the shares. Except as otherwise provided in Section 10 hereof, no adjustment shall be made for dividends or other rights for which the record date is prior to the issuance of such certificate or certificates.

10. CAPITAL ADJUSTMENTS. The number of shares of Common Stock covered by this option, and the option price thereof, shall be proportionately adjusted to reflect any stock dividend, stock split, share combination, exchange of shares, recapitalization, merger, consolidation, reorganization, liquidation, or the like, of or by the Company.

11. DISQUALIFYING DISPOSITION. In the event that Common Stock acquired upon exercise of an option pursuant to this Agreement is disposed of by an Option Holder prior to the expiration of either two years from the date of grant of such option or one year from the issuance of shares to the Option Holder pursuant to the exercise of such option, such Option Holder shall notify the Company in writing of the date and terms of such disposition.

12. RESTRICTIONS ON TRANSFER. Shares of Common Stock received upon exercise of this option may only be transferred in accordance with Section VIII of the Plan.

13. LAW GOVERNING. This Agreement is intended to be performed in the State of Texas and shall be construed and enforced in accordance with and governed by the laws of Texas, without giving effect to conflicts of laws.

14. DATE OF GRANT. The date of grant of this option is September 27, 1999.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and the Option Holder, to evidence his consent and approval of all the terms hereof, has duly execute this Agreement, as of the date specified in Section 14 hereof.

CORNICHE GROUP INCORPORATED

By:

Robert Hutchins, President

OPTION HOLDER:

Robert Benoit

EXHIBIT 4(i)

CORNICHE GROUP INCORPORATED

NON-QUALIFIED STOCK OPTION AGREEMENT

AGREEMENT made as of February 15th, 2000, by and between Corniche Group Incorporated, a Delaware corporation with its principal place of business at 610 S. Industrial Blvd., Suite 220, Euless, Texas 76040 (the "Company"), and the undersigned (the "Optionee").

WITNESSETH:

WHEREAS, the Company considers it desirable and in its best interests that the Optionee be encouraged to acquire an ownership interest in the Company, and thereby have an added incentive to advance the interests of the Company, by the grant of an option to purchase shares of the Company's common stock, par value $.001 per share (the "Common Stock"), on the terms and conditions hereinafter set forth; and

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the Company and the Optionee hereby agree as follows:

1. GRANT OF OPTION.

The Company hereby grants to the Optionee, the right, privilege and option (the "Option") to purchase 75,000 shares of the Company's Common Stock (the "Shares") at the exercise prices $1.097 and 100,000 shares of the Company's Common Stock (the "Shares") at the exercise prices $1.00 on the vesting terms ("Vesting Terms") set forth in Appendix A. Such number of Shares issuable upon exercise of the Option shall be subject to adjustment as provided in Section 7 below.

2. TIME OF EXERCISE OF OPTION.

Subject to the provisions of Section 4 below, the Option shall vest as provided in Appendix A, provided, however, that upon a Change in Control of the Company (as defined in the Employment Agreement between the Company and the Optionee dated June 26th, 2000), the Option shall be immediately exercisable. To the extent the Option is not exercised by the Optionee when it becomes exercisable, it shall continue in full force and effect until the Expiration Date (as hereinafter defined).

3. METHOD OF EXERCISE.

The Option shall be exercised by written notice in the form of Appendix B hereto directed to the Company at the Company's address set forth above, duly executed by the Optionee, specifying the number of shares being purchased and accompanied by either (i) cash or check payable to the order of the Company in full payment of the Purchase Price for the

number of Shares being purchased, or (ii) certificate(s), duly endorsed for transfer to the Company with signature guaranteed, for that number of previously acquired Shares having an aggregate fair market value as determined in accordance with the Plan ("Fair Market Value"), on the date of exercise equal to the full Purchase Price for the number of Shares being purchased, or (iii) a combination of (i) and (ii).

The Option shall not be exercisable at any time in an amount less than 100 Shares (or the remaining fraction of a Share then covered by and purchasable under the Option if less than 100 Shares).

4. TERM OF OPTIONS; EXERCISABILITY.

(i) This Option shall expire 5 years from the date hereof of this Agreement (the "Expiration Date"), subject to earlier termination as herein provided.

(ii) Except as otherwise provided in this Section 4, if the Optionee's employment by the Company is terminated for any reason, the Option shall terminate on the earlier of (i) three months after the date the Optionee's employment is terminated, or (ii) the date on which the Option expires by its terms.

(iii) If the Optionee's employment by, of, or to, the Company is terminated by the Company for cause (as such term is defined in his employment agreement), the Option will to the extent not terminated be deemed to have terminated on the date immediately preceding the date the Optionee's employment by, or retention as an agent, director of, or consultant to, the Company is terminated by the Company and its subsidiaries.

(iv) If the Optionee's employment by the Company is terminated because of disability or death, the Option shall terminate on the earlier of (i) one year after termination, or (ii) the date on which the Option expires by its terms.

5. NON-TRANSFERABILITY.

The right of the Optionee to exercise the Option shall not be assignable or transferable by the Optionee otherwise than by will or the laws of descent and distribution, and the Option may be exercised during the lifetime of the Optionee only by the Optionee. The Option shall be null and void and without effect upon the bankruptcy of the Optionee or upon any attempted assignment or transfer, except as hereinabove provided, including without limitation, any purported assignment, whether voluntary or by operation of law, pledge, hypothecation or other disposition contrary to the provisions hereof, or levy of execution, attachment, trustee process or similar process, whether legal or equitable, upon the Option.

6. REPRESENTATION LETTER AND INVESTMENT LEGEND.

(a) Notwithstanding the provisions of Sections 3 and 4 hereof, the Option cannot be exercised, and the Company may delay the issuance of the Shares covered by the exercise of the

Option and the delivery of a certificate for the Shares, until one of the following conditions shall be satisfied:

(i) The Shares with respect to which the Option has been exercised are at the time of the issuance of the Shares effectively registered or qualified under applicable federal and state securities acts now in force or as hereafter amended; or

(ii) Counsel for the Company shall have given an opinion, which opinion shall not be unreasonably conditioned or withheld, that the issuance of the Shares is exempt from registration and qualification under applicable federal and state securities acts now in force or as hereafter amended.

(b) In the event that for any reason the Shares to be issued upon exercise of the Option shall not be effectively registered under the Securities Act of 1933, as amended (the "1933 Act"), upon any date on which the Option is exercised in whole or in part, the Optionee shall give a written representation to the Company in the form attached hereto as Exhibit A and the Company shall place an "investment legend," so-called, as described in Exhibit A, upon any certificate for the Shares issued by reason of such exercise. In the event that the Company shall, nevertheless, deem it necessary or desirable to register under the 1933 Act or other applicable statutes the Shares with respect to which the Option shall have been exercised, or to qualify the Shares for exemption from the 1933 Act or other applicable statutes, then the Company may take such action and may require from the Optionee such information in writing for use in any registration statement, supplementary registration statement, prospectus, preliminary prospectus, offering circular or any other document that is reasonably necessary for such purpose and may require reasonable indemnity to the Company and its officers and directors from the Optionee against all losses, claims, damages and liabilities arising from such use of the information so furnished and caused by any untrue statement of any material fact therein or caused by the omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made.

(c) The Company shall be under no obligation to qualify the Shares or to cause a registration statement or a post-effective amendment to any registration statement to be prepared for the purposes of covering the issue of the Shares or to cause the issuance of the Shares to be exempt from registration and qualification under applicable federal and state securities acts now in force or as hereinafter amended, except as otherwise agreed to by the Company in writing in its sole discretion and, accordingly, the Company may delay the issuance of the Shares covered by the exercise of the Option and the delivery of a certificate for the Shares until the Company shall have determined that all conditions to the issuance of the Shares shall have been satisfied.

7. ADJUSTMENT IN AND CHANGES IN COMMON STOCK.

Subject to the Plan, if the outstanding shares of the Common Stock are changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of any reorganization, recapitalization, reclassification, stock split, combination of shares, or dividends payable in capital stock, appropriate and equitable adjustment shall be made by the Board of Directors of the Company, in its sole discretion, in the number and kind of shares as to

which the Option or portion thereof then unexercised shall be exercisable. Such adjustment in the Option shall be made without change in the total price applicable to the unexercised portion of such the Option and with a corresponding adjustment in the Option price per share.

8. EFFECT ON OTHER RIGHTS.

This Agreement shall in no way affect the Optionee's participation in or benefits under any other plan or benefit program maintained or provided by the Company. Nothing in this Agreement shall be construed to give the Optionee any right to any additional options other than in the sole discretion of the Board of Directors of the Company or to confer on the Optionee any right to continue in the employ of the Company or any subsidiary thereof or to continue to be retained as an agent, director of, or consultant to, the Company, or to be evidence of any agreement or understanding, express or implied, that the Company will employ or continue to retain the Optionee in any particular position or at any particular rate of remuneration, or for any particular period of time or to interfere in any way with the right of the Company or a subsidiary thereof (or the right of the Optionee) to terminate the employment or retention of the Optionee at any time, with or without cause, notwithstanding the possibility that the Option may thereby be Terminated entirely.

9. RIGHTS AS A STOCKHOLDER.

The Optionee shall have no rights as a stockholder with respect to any Shares which may be purchased by exercise of the Option until (x) the Option shall have been exercised with respect thereto (including payment to the Company of the Purchase Price), and (y) the earlier to occur of (i) delivery by the Company to the optionee of a certificate therefor or (ii) the date on which the Company is required to deliver a certificate pursuant to the Plan and this Agreement. Except as otherwise expressly provided in the Plan, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such certificate is issued or required to be issued in accordance with the Plan.

10. GOVERNING LAW.

THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS TO BE MADE AND PERFORMED ENTIRELY THEREIN WITHOUT REFERENCE TO CONFLICT OF LAWS PRINCIPLES.

11. WITHHOLDING TAXES.

Whenever Shares are to be issued upon exercise of the Option, the Company shall have the right to require the Optionee to remit to the Company an amount sufficient to satisfy all federal, state and local withholding tax requirements, if any, prior to the delivery of any certificate or certificates for such Shares. The Company may agree to permit the Optionee to withhold Shares purchased upon exercise of this Option to satisfy the above-mentioned withholding requirement.

12. HEADINGS.

The headings contained in this Agreement are for convenience of reference only and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

13. BINDING EFFECT.

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

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed, and the Optionee has hereunto set his or her hand and seal, all as of the day and year first above written.

CORNICHE GROUP INCORPORATED.

By:

Title: Chairman of the Board

OPTIONEE

APPENDIX A

TO STOCK OPTION AGREEMENT

OPTIONS GRANTED AND VESTING PERIOD:

Set forth below are the options granted to the Optionee and the vesting schedule with respect thereto.

Number of Shares	Option Price	Vesting Date
37,500	$1.097	2/01/00
18,750	$1.097	6/26/01
18,750	$1.097	6/26/02
50,000	$1.00	2/01/01
25,000	$1.00	2/01/02
25,000	$1.00	2/01/03

EXHIBIT B
TO STOCK OPTION AGREEMENT

Date:

Corniche Group Incorporated
610 S. Industrial
Suite 220
Euless, Texas 76040

Ladies and Gentlemen:

I hereby elect to purchase _____ shares of the Common Stock, par value $.00001 per share, of Corniche Group Incorporated (the "Company") under the option granted to me pursuant to the Stock Option Agreement, dated February 15th, 2000.

Enclosed is [cash] [a check] in the amount of $_____.___ [_____ shares of the Company's Common Stock] in full payment of the shares being purchased ($_____ per share).

Please deliver certificates representing the shares being purchased to me at:

I hereby acknowledge that I have been informed as follows:

1. The shares of common stock of the Company to be issued to me pursuant to the exercise of said option have not been registered under the Securities Act of 1933, as amended (the "1933 Act"), and accordingly, must be held indefinitely unless such shares are subsequently registered under the 1933 Act, or an exemption from such registration is available.

2. Routine sales of securities made in reliance upon Rule 144, if applicable, under the 1933 Act can be made only after the holding period and in limited amounts in accordance with the terms and conditions provided by that Rule, and in any sale to which that Rule is not applicable, registration or compliance with some other exemption under the 1933 Act will be required.

3. The Company is under no obligation to me to register the shares or to comply with any such exemptions under the 1933 Act.

4. The availability of Rule 144, if applicable, is dependent upon adequate current public information with respect to the Company being available and, at the time that I may desire to make a sale pursuant to the Rule, the Company may neither wish nor be able to comply with such requirement.

In consideration of the issuance of certificates for the shares to me, I hereby represent and warrant that I am acquiring such shares for my own account for investment, and that I will not sell, pledge, transfer or otherwise dispose of such shares in the absence of an effective registration statement covering the same, except as permitted by the provisions of Rule 144, if applicable, or some other applicable exemption under the 1933 Act. In view of this representation and warranty, I agree that there may be affixed to the certificates for the shares to be issued to me, and to all certificates issued hereafter representing such shares (until in the opinion of counsel, which opinion must be reasonably satisfactory in form and substance to counsel for the Company, it is no longer necessary or required) a legend as follows:

"The shares of common stock represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), and were acquired by the registered holder, pursuant to a representation and warranty that such holder was acquiring such shares for his or her own account and for investment, with no intention to transfer or dispose of the same, in violation of the registration requirements of the Act. These shares may not be sold, pledged, transferred or otherwise disposed of in the absence of an effective registration statement under the Act, or an opinion of counsel, which opinion is reasonably satisfactory to counsel to the Company, to the effect that registration is not required under the Act."

I further agree that the Company may place a stop order with its Transfer Agent, prohibiting the transfer of such shares, so long as the legend remains on the certificates representing the shares.

Very truly yours,

Optionee:

EXHIBIT 4(j)

1998 INDEPENDENT DIRECTOR COMPENSATION PLAN

WHEREAS, the Company desires to attract and retain qualified independent directors by appropriate compensation for their services on behalf of the Company;

NOW, THEREFORE, BE IT

RESOLVED, that effective as of April 30, 1998, there is established the 1998 Independent Director Compensation Plan (the "Plan"); and

RESOLVED FURTHER, that a maximum of 100,000 shares of the Company's common stock may be issued, and such shares are hereby reserved for issuance, under the Plan; and

RESOLVED FURTHER, that each duly elected and validly acting director of the Company, who is not an officer or an employee of the Company (each an "Independent Director"), shall be entitled to receive and shall be paid $2,500 in cash and shall also be entitled to be issued 500 shares of the Company's common stock, for each full calendar quarter of service completed as a director of the Company; and

RESOLVED FURTHER, that each Independent Director who serves as a member of a committee of the Company's board of directors shall be entitled to receive and shall be paid $500 in cash and shall also be entitled to be issued 125 shares of the Company's common stock, for each full calendar quarter of service completed as a member of each such committee; and

RESOLVED FURTHER, in addition, each Independent Director will be entitled to full reimbursement of all reasonable travel expenses incurred in the performance of his or her duties as an Independent Director, regardless of the date elected; and

RESOLVED FURTHER, compensation pursuant to this Plan shall be paid or issued as soon as practicable after each March 31, June 30, September 30, and December 31.

EXHIBIT 5(a)

HAYNES AND BOONE, LLP
901 Main Street, Suite 3100
Dallas, Texas 75202
214.651.5000

October ___, 2000

Corniche Group Incorporated
610 South Industrial Blvd.
Suite 220
Euless, Texas 76040

Re: Corniche Group Incorporated Registration Statement on Form S-1

Gentlemen:

We have acted as counsel to Corniche Group Incorporated, a Delaware corporation (the "Company"), in connection with the preparation of the Company's Registration Statement on Form S-1 (Registration No.) and the amendments thereto (the Registration Statement, as amended, is hereinafter referred to as the "Registration Statement") filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"). The Registration Statement relates to the offer and sale by the Company of up to 17,844,585 shares of its Common Stock, par value $0.001 per share ("Common Stock"). The opinions expressed herein relate solely to, are based solely upon and are limited exclusively to, the internal substantive laws of the State of Texas, the General Corporation Laws of the State of Delaware and applicable federal laws of the United States of America.

In connection therewith, we have examined and relied upon the original, or copies certified to our satisfaction, of (i) the Amended Certificate of Incorporation of the Company (the "Certificate of Incorporation"), and the Amended Bylaws of the Company (the "Bylaws"); (ii) the minutes and records of the corporate proceedings of the Company with respect to the issuance by the Company of the shares of Common Stock; (iii) the Registration Statement and all exhibits thereto and (iv) such other documents and instruments as we have deemed necessary for the expression of the opinions contained herein.

In making the foregoing examinations, we have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals, and the conformity to original documents of all documents submitted to us as certified or photostatic copies thereof. As to various questions of fact material to this opinion, where such facts have not been independently established, and as to the content and form of certain minutes, records, resolutions and other documents or writings of the Company, we have relied, to the extent we have deemed reasonably appropriate, upon representations or certificates of officers of the Company or governmental officials. Finally, we have assumed that all formalities

required by the Company's Certificate of Incorporation, Bylaws and the Delaware General Corporation Law will be complied with when the shares of Common Stock are issued.

Based upon the foregoing, and having due regard for such legal considerations as we deem relevant, we are of the opinion that the shares of Common Stock, upon receipt by the Company of the full consideration for the shares of Common Stock, will, when sold, be validly issued, fully paid and nonassessable.

We hereby consent to the filing of this opinion with the Securities and Exchange Commission as Exhibit 5(a) to the Registration Statement, and to the reference to our firm under the caption "Legal Matters" in the prospectus constituting a part of such Registration Statement. In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act.

Very truly yours,

Haynes and Boone, LLP

EXHIBIT 10(a)

EMPLOYMENT AGREEMENT

AGREEMENT made as of the 15th day of February, 2000 by and between Corniche Group Incorporated, a Delaware corporation having offices at 610 S. Industrial Blvd., Suite 220, Euless, Texas 76040 (the "Company"), and Robert F. Benoit (the "Executive").

WHEREAS, the Company and the Executive wish to set forth the terms and conditions of the Executive's employment by the Company.

NOW, THEREFORE, the parties hereto agree as follows:

1. Employment. The Company agrees to employ the Executive in the capacity herein after set forth, for the term specified in paragraph 2, and the Executive agrees to accept such employment, upon the terms and conditions hereinafter set forth.

2. Term. This Agreement shall be for a term commencing on [February 15th, 2000] (the "Effective Date") and unless this Agreement is sooner terminated under the provisions hereof, expiring three years thereafter (the "Term").

3. Duties and Responsibilities.

   (a) During the Term, the Executive shall serve as an officer of the Company and shall have the title of Chief Executive Officer. The Term may be extended for such duration and upon such terms and conditions as to which the Company and the Executive may agree, on or prior to, the expiration of the Term.

   (b) The Executive shall devote substantial business efforts to the Company. Other business activities of the Executive shall be limited in time and scope and not conflict with the terms of this Agreement. The Executive will (i) devote his best efforts, skill and ability to promote the Company's interest; (ii) carry out his duties in a competent and professional manner; (iii) work with other employees of the Company in a competent and professional manner and (iv) generally promote the best interests of the Company.

   (c) The Executive's normal place of business shall be 610 S. Industrial Blvd., Suite 220, Euless, Texas 76040.

   (d) The Executive shall have the powers and duties commensurate with his position and the authority to perform these and other such duties as may reasonably be assigned from time to time that are not inconsistent with such position.

4. Compensation.

(a) As compensation for services hereunder and in consideration of his agreement not to compete as set forth in Section 9 below, during the Term, the Company shall pay the Executive in accordance with the Company's normal payroll practices base salary compensation at an annual rate of $100,000.00 less required tax withholding amounts. The executive will also receive a 6,000.00 automobile allowance per year. The annual rate of salary compensation may be reviewed and increased at the discretion of the Board. Annual bonuses may be awarded at the sole discretion of the Board.

(b) As additional consideration for the Executive's agreement to provide services to the Company hereunder, the Executive will receive, non-qualified stock options having a term of five years and covering a total of 175,000 of the Company's shares of common stock. Said options will be granted under the terms of an Option Agreement dated the date hereof and annexed hereto as Exhibit A at the exercise prices and on the vesting terms set forth therein.

5. Expenses: Fringe Benefits.

(a) In addition to the compensation provided for under Section 4, the Company agrees to pay or to reimburse the Executive during the Term for all reasonable, ordinary and necessary vouchered business or entertainment expenses incurred in the performance of his duties hereunder in a manner established by the Company's policy as from time to time in effect.

(b) During the Term the Executive shall be entitled to participate in a health care plan at the Company's expense and such life insurance and 401K plans and other employee benefit plans which become available to senior employees of the Company, including participation in any stock plans and annual incentive plans established by the Company. The executive may add family members to the company's health plan at the executive's expense.

(c) The Executive shall be entitled to a combined 2 weeks 10 business days of paid vacation per calendar year in addition to ten 10 public holidays provided that no more than ten 10 consecutive days of vacation shall be taken at any one time without the prior approval of the Chief Executive Officer of the Company.

6. Discharge by Company.

(a) The Company shall be entitled to terminate the Term and to discharge the Executive for "cause". The term "cause" shall be limited to the following.

(i) The Executive's failure or unreasonable refusal to perform his duties and responsibilities under this Agreement.

(ii) Dishonesty affecting the Company.

(iii) Conviction of a felony or of any crime involving fraud or misrepresentations.

(iv) The Executive's failure to adequately perform his responsibilities.

(v) The commission of a willful or intentional act which could injure the reputation, business or business relationships of the Company.

(vi) Any material breach of this Agreement, if such breach is not cured within 30 days after receipt by the Executive of written notice thereof from the Company, and

(b) Disability pursuant to Section 7 hereof.

(c) If Executive's employment is terminated by the Company without cause, in addition to the salary and benefits accrued through the date of termination, Executive will receive as severance an amount equal to 18 months base salary. Such severance payment shall be payable in equal installments or as mutually agreed by the Executive and the Company in a lump sum discounted using the prime rate then in effect at Citibank, N.A. In addition to his base salary the Company will pay Executive the cost of continuing medical insurance. Termination without cause shall include action by the Company, without Executive's consent, pursuant to which his duties or title are materially reduced or assignment of duties become materially inconsistent with duties stated herein.

7. Disability, Death.

(a) If the executive shall be unable to perform his duties hereunder by virtue of physical or mental incapacity or disability (from any cause or causes whatsoever) in substantially the manner and to the extent required hereunder prior to the commencement of such disability (all such causes being herein referred to as "disability") and the Executive shall fail to have performed substantially such duties for periods aggregating ninety (90) days, whether or not continuous, in any continuous period of one hundred eighty (180) days, the Company shall have the right to terminate the

Executive's employment hereunder as at the end of any calendar month upon written notice to him. Said notice of intention to terminate the Executive must be given by the Company within ninety (90) days following the 90th day of disability, in which case the Executive shall be entitled to his base salary compensation to the end of such calendar month and for a continuing period of three (3) months thereafter payable on the regular payroll schedule.

(b) In the case of the death of the Executive, this Agreement shall terminate and the company shall be obligated to pay to the Executive's estate or as otherwise directed by the Executive's duly appointed and authorized legal representative, his then base salary compensation and all accrued benefits through the date of death.

8. Voluntary Termination. The Executive may terminate his employment for any reason at any time upon ninety (90) days prior written notice to the Company. If the Executive voluntarily terminates his employment prior to the term hereunder, he shall only be entitled to receive compensation accrued through the date of termination and shall not be entitled to any prorated amounts for vacation pay.

9. Confidentiality; Covenant Against Competition; Intellectual Property.

(a) The Executive recognizes and acknowledges that all information pertaining to the affairs, business, clients or customers of the Company or any of its subsidiaries or affiliates or predecessors (any or all of such of such entities being hereinafter referred to as the "Businesses"), as such information may exist from time to time, other than information that the Company has previously made publicly available or which has otherwise entered the public domain through no fault of the Executive, is confidential information and is a unique and valuable asset of the Businesses, access to and knowledge of which will be essential to the Executive's duties under this Agreement. In consideration of the payments made to him hereunder, the Executive shall not, except to the extent reasonably necessary in the performance of his duties under this Agreement, during the term of his employment hereunder and thereafter, divulge to any person, firm, association, corporation or governmental agency, any information concerning the affairs, business, clients or customers of the Business (except such information as is required by law to be divulged to a government agency or pursuant to subpoena or similar lawful process), or make use of any such information for his own purposes or for the benefit of any person, firm, association, company, corporation (except the Businesses) or entity and shall use his reasonable best efforts to prevent the disclosure of any such

information by others. All records, memoranda, letters, books, papers, reports, customer lists, accountings or other data and records and documents relating to the Businesses, whether made by the Executive or otherwise coming into his possession, are confidential information and are, shall be, and shall remain the property of the Businesses. No copies thereof shall be made which are not retained by the Businesses, and the Executive agrees, on termination of his employment, that he will not retain or make copies of any such documents relating to the Businesses and, on demand of the Company, deliver the same to the Company.

(b) All information and all of the Executive's interest in trade secrets, trademarks, computer programs, customer information, customer lists, employee lists, products, procedures, copyrights, patents and developments developed by the Executive as a result of, or in connection with, his employment hereunder, shall belong to the Company; and without further compensation, but at the Company's expense, upon the request of the Company, the Executive shall execute any and all assignments or other documents and take any and all such other action as the Company may reasonably request in order to vest in the Company all of the Executive's right, title, and interest in and all of the foregoing items, free and clear of all liens, charges and encumbrances of the Executive of any kind.

(c) In consideration of the payments made to him hereunder, during the period commencing on the effective date of the termination of his employment and ending on the second (2nd) anniversary of such effective date of termination, or in the case of termination for any reason during the Trial Period (90) days ending on the first (1st) anniversary of such effective date of termination (collectively, such periods to be referred to as the "Restrictive Period"), the Executive shall not, without the express prior written approval of the Board, as evidenced by a resolution of the Board, directly or indirectly, for himself or on behalf of or in conjunction with, any other person, persons, company, partnership, corporation or business of whatever nature:

(i) own or hold any proprietary interest in, be employed by or receive remuneration from, or engage as an officer, director or in any managerial capacity, whether as an employee, independent contractor, consultant or advisor, or as a sales representative of, any corporation, company, partnership, sole proprietorship or other entity engaged in competition with the Company or any of its subsidiaries or affiliates (a "Competitor") in the "Territory", other than severance-type or retirement-type benefits from entities constituting prior employers of the Executive;

(ii) solicit for himself or for the account of any Competitor, any customer or client of the Company or its subsidiaries or affiliates, or, in the event of the Executive's termination of his employment, any entity or individual that was such a customer or client during the eighteen (18) month period immediately preceding the Executive's termination of employment;

(iii) Act on behalf of himself or any Competitor to interfere with the relationship between the Company or its subsidiaries or affiliates and their employees, independent contractors, customers or suppliers;

(iv) Hire an employee of the Company or induce any such employee to leave the employment of the Company.

For the purposes of this Agreement, "Territory" shall mean each and every State in the United States or any other country in which the Businesses conduct business operations.

For the purposes of the preceding paragraphs, (i) the term proprietary interest means legal or equitable ownership, whether through shareholding or otherwise, of an equity interest in a business, firm or entity other than ownership of less than two (2%) percent of any class of equity interest in a publicly held business, firm or entity and (ii) an entity shall be considered to be "engaged in competition" if such entity is, or is a holding company for, a company or corporation that directly competes with any aspect of the business of the Businesses as it is being conducted by them at the date of termination of employment, in the Territory, with the phrase "directly competes" to be interpreted reasonably by the parties so as to protect the Company against unfair competition without unnecessarily intruding on the Executive's ability to earn a living in his area of expertise.

(d) The Executive acknowledges the reasonableness of the restrictions contained in this Section 9. The Executive acknowledges that the Company, and its successors and assigns would be irreparably injured in a manner not adequately compensated by money damages by a breach or violation of the provisions of this Section 9 by the Executive. Therefore, in the event of any such breach or violation (or threatened breach or violation), in addition to all other rights and remedies which the Company, whether at law or in equity, the Company and its successors and assigns shall be entitled to obtain injunctive or other equitable relief against the Executive without the need to post bond or other security in connection therewith and the Executive hereby consents to the entry of an order for such injunctive or other equitable relief.

(e) The Executive's agreement as set forth in this Section 9 shall survive the expiration of the Term and the termination of the Executive's employment with the Company.

(f) If any court determines that the provisions of this Section 9, or any part thereof, is unenforceable because of the duration or geographic scope of such provisions, such court shall have the power to reduce the duration or scope of such provisions, as the case may be, so that, as so reduced, such provisions are then enforceable to the maximum extent permitted by applicable law.

(g) From the date hereof until the end of the Term, the Executive will disclose to the Company all ideas, inventions and business plans developed by him during such period which relate directly or indirectly to the business of the Company including without limitation, any design, logo, slogan or campaign or any process, operation, product or improvement which may be patentable or copyrightable. The Executive agrees that all patents, licenses, copyrights, tradenames, trademarks, service marks, campaigns, designs, logos, slogans and business plans developed or created by the Executive in the course of his employment hereunder, either individually or in collaboration with others, will be deemed works for hire and the sole and absolute property of the Company. The Executive agrees that, at the Company's request, he will take all steps to secure the rights thereto to the Company by patent, copyright or otherwise.

10. Change of Control. In the event of a "change in control" in the Company, prior to the vesting date for any stock options provided to the Executive under this Agreement, that adversely impacts Executive's ability to vest in or to exercise such options, the company shall either accelerate the vesting date of the options such that the Executive may exercise them in timely fashion; or pay to Executive the cash value of the options (fair market value of shares less exercise price) immediately prior to the date of the change of control; or make some financial arrangement making executive whole that is mutually agreeable to the Company and the Executive. A "change in control" shall be deemed to occur when, a corporation, partnership, association or entity, directly or indirectly (through a subsidiary or otherwise), (i) acquires or is granted the right to acquire, directly or though merger or similar transaction, a majority of the Company's outstanding voting securities or shares, or (ii) all or substantially all of the Company's assets.

In addition, upon a change of control Executive shall have the option, exercisable in writing within 30 days after the effective date of the change in control, to terminate the Employment Agreement and to receive as a severance payment an amount equal to 18 months base salary. Such severance payment shall be payable in equal monthly installments or, at the option of the Company, in a lump sum payment discounted based on the then current prime rate of interest of Citibank N.A. In addition to his base salary the Company will pay Executive the cost of continuing medical insurance for the severance period.

11. Resolution of Disputes. Any dispute by and among the parties hereto arising out of or relying to this Agreement, the terms, conditions or a breach thereof, or the rights or obligations of the parties with respect thereto, shall be arbitrated in the [Tarrant County, Texas] before and pursuant to then applicable commercial rules and regulations of the American Arbitration Association, or any successor organization. The arbitration proceedings shall be conducted by a panel of three arbitrators, one of whom shall be selected by the Company, one by the Executive (or his legal representative) and the third arbitrator by the first two chosen. The parties shall use their best efforts to assure that the selection of the arbitrators shall be completed within thirty (30) days and the parties shall use their best efforts to complete the arbitration as quickly as possible. In such proceeding, the arbitration panel shall determine who is a substantially prevailing party and shall award to such party its reasonable attorneys', accounts' and other professionals' fees and its costs incurred in connection with the proceeding. The award of the arbitration panel shall be final, binding upon the parties and nonappealable and may be entered in and enforced by any court of competent jurisdiction. Such court may add to the award of the arbitration panel additional reasonable attorneys' fees and costs incurred by the substantially prevailing party in attempting to enforce the award.

12. Enforceability. The failure of either party at any time to require performance by the other party of any provision hereunder in no way shall affect the right of that party thereafter to enforce the same, nor shall it affect any other party's right to enforce the same, or to enforce any of the other provisions of this Agreement; nor shall the waiver by either party of the breach of any provision hereof be taken or held to be a waiver of any subsequent breach of such provision or as a waiver of the provision itself.

13. Assignment. This Agreement is a personal contract and the Executive's rights and obligations hereunder may not be sold, transferred, assigned, pledged or hypothecated by the Executive.

14. Modification. This Agreement cannot be cancelled, changed, modified, or amended orally, and no cancellation, change, modification or amendment shall be effective or binding, unless it is in writing, signed by both parties to this Agreement.

15. Severability: Survival. If any provision of this Agreement is held to be void and unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement nevertheless shall be binding upon the parties with same effect as though the void or unenforceable part has been severed and deleted.

16. Notice. Notices given pursuant to the provisions of this Agreement shall be sent by certified mail, postage prepaid, or by overnight courier, or by telex, telecopier or telegraph, charges prepaid, to the following address:

To the Company

Corniche Group Incorporated
610 S. Industrial Blvd.,
Suite 220
Euless, Texas 76040
Fax: (817) 283 4365

with a copy to:

Haynes and Boone, LLP
901 Main St., Suite 3100
Dallas, Texas 75202

To the Executive

Mr. Robert F. Benoit, residing at 728 Saxon Trail Southlake Texas 76092.

17. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

18. No Conflict. The Executive represents and warrants that he is not subject to any agreement, instrument, judgement order or decree of any kind, or any other restrictive agreement of any character, which would prevent him from entering into this Agreement or which would be breached by the Executive upon his performance of his duties pursuant to this Agreement.

19. Entire Agreement. This Agreement represents the entire agreement between the Company and the Executive with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have set their hands and seals on and as of the day and year first written above.

CORNICHE GROUP INCORPORATED

/s/ JAMES FYFE

James Fyfe
Chairman Of The Board

EXECUTIVE

/s/ ROBERT F. BENOIT

Robert F. Benoit
Chief Executive Officer

EXHIBIT A

CORNICHE GROUP INCORPORATED

NON-QUALIFIED STOCK OPTION AGREEMENT

AGREEMENT made as of February 15th, 2000, by and between Corniche Group Incorporated, a Delaware corporation with its principal place of business at 610 S. Industrial Blvd., Suite 220, Euless, Texas 76040 (the "Company"), and the undersigned (the "Optionee").

WITNESSETH:

WHEREAS, the Company considers it desirable and in its best interests that the Optionee be encouraged to acquire an ownership interest in the Company, and thereby have an added incentive to advance the interests of the Company, by the grant of an option to purchase shares of the Company's common stock, par value $.001 per share (the "Common Stock"), on the terms and conditions hereinafter set forth; and

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the Company and the Optionee hereby agree as follows:

1. GRANT OF OPTION.

The Company hereby grants to the Optionee, the right, privilege and option (the "Option") to purchase 75,000 shares of the Company's Common Stock (the "Shares") at the exercise prices $1.097 and 100,000 shares of the Company's Common Stock (the "Shares") at the exercise prices $1.00 on the vesting terms ("Vesting Terms") set forth in Appendix A. Such number of Shares issuable upon exercise of the Option shall be subject to adjustment as provided in Section 7 below.

2. TIME OF EXERCISE OF OPTION.

Subject to the provisions of Section 4 below, the Option shall vest as provided in Appendix A, provided, however, that upon a Change in Control of the Company (as defined in the Employment Agreement between the Company and the Optionee dated June 26th, 2000), the Option shall be immediately exercisable. To the extent the Option is not exercised by the Optionee when it becomes exercisable, it shall continue in full force and effect until the Expiration Date (as hereinafter defined).

3. METHOD OF EXERCISE.

The Option shall be exercised by written notice in the form of Appendix B hereto directed to the Company at the Company's address set forth above, duly executed by the Optionee, specifying the number of shares being purchased and accompanied by either (i) cash or check payable to the order of the Company in full payment of the Purchase Price for the

number of Shares being purchased, or (ii) certificate(s), duly endorsed for transfer to the Company with signature guaranteed, for that number of previously acquired Shares having an aggregate fair market value as determined in accordance with the Plan ("Fair Market Value"), on the date of exercise equal to the full Purchase Price for the number of Shares being purchased, or (iii) a combination of (i) and (ii).

The Option shall not be exercisable at any time in an amount less than 100 Shares (or the remaining fraction of a Share then covered by and purchasable under the Option if less than 100 Shares).

4. TERM OF OPTIONS; EXERCISABILITY.

(i) This Option shall expire 5 years from the date hereof of this Agreement (the "Expiration Date"), subject to earlier termination as herein provided.

(ii) Except as otherwise provided in this Section 4, if the Optionee's employment by the Company is terminated for any reason, the Option shall terminate on the earlier of (i) three months after the date the Optionee's employment is terminated, or (ii) the date on which the Option expires by its terms.

(iii) If the Optionee's employment by, of, or to, the Company is terminated by the Company for cause (as such term is defined in his employment agreement), the Option will to the extent not terminated be deemed to have terminated on the date immediately preceding the date the Optionee's employment by, or retention as an agent, director of, or consultant to, the Company is terminated by the Company and its subsidiaries.

(iv) If the Optionee's employment by the Company is terminated because of disability or death, the Option shall terminate on the earlier of (i) one year after termination, or (ii) the date on which the Option expires by its terms.

5. NON-TRANSFERABILITY.

The right of the Optionee to exercise the Option shall not be assignable or transferable by the Optionee otherwise than by will or the laws of descent and distribution, and the Option may be exercised during the lifetime of the Optionee only by the Optionee. The Option shall be null and void and without effect upon the bankruptcy of the Optionee or upon any attempted assignment or transfer, except as hereinabove provided, including without limitation, any purported assignment, whether voluntary or by operation of law, pledge, hypothecation or other disposition contrary to the provisions hereof, or levy of execution, attachment, trustee process or similar process, whether legal or equitable, upon the Option.

6. REPRESENTATION LETTER AND INVESTMENT LEGEND.

(a) Notwithstanding the provisions of Sections 3 and 4 hereof, the Option cannot be exercised, and the Company may delay the issuance of the Shares covered by the exercise of the

Option and the delivery of a certificate for the Shares, until one of the following conditions shall be satisfied:

(i) The Shares with respect to which the Option has been exercised are at the time of the issuance of the Shares effectively registered or qualified under applicable federal and state securities acts now in force or as hereafter amended; or

(ii) Counsel for the Company shall have given an opinion, which opinion shall not be unreasonably conditioned or withheld, that the issuance of the Shares is exempt from registration and qualification under applicable federal and state securities acts now in force or as hereafter amended.

(b) In the event that for any reason the Shares to be issued upon exercise of the Option shall not be effectively registered under the Securities Act of 1933, as amended (the "1933 Act"), upon any date on which the Option is exercised in whole or in part, the Optionee shall give a written representation to the Company in the form attached hereto as Exhibit A and the Company shall place an "investment legend," so-called, as described in Exhibit A, upon any certificate for the Shares issued by reason of such exercise. In the event that the Company shall, nevertheless, deem it necessary or desirable to register under the 1933 Act or other applicable statutes the Shares with respect to which the Option shall have been exercised, or to qualify the Shares for exemption from the 1933 Act or other applicable statutes, then the Company may take such action and may require from the Optionee such information in writing for use in any registration statement, supplementary registration statement, prospectus, preliminary prospectus, offering circular or any other document that is reasonably necessary for such purpose and may require reasonable indemnity to the Company and its officers and directors from the Optionee against all losses, claims, damages and liabilities arising from such use of the information so furnished and caused by any untrue statement of any material fact therein or caused by the omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made.

(c) The Company shall be under no obligation to qualify the Shares or to cause a registration statement or a post-effective amendment to any registration statement to be prepared for the purposes of covering the issue of the Shares or to cause the issuance of the Shares to be exempt from registration and qualification under applicable federal and state securities acts now in force or as hereinafter amended, except as otherwise agreed to by the Company in writing in its sole discretion and, accordingly, the Company may delay the issuance of the Shares covered by the exercise of the Option and the delivery of a certificate for the Shares until the Company shall have determined that all conditions to the issuance of the Shares shall have been satisfied.

7. ADJUSTMENT IN AND CHANGES IN COMMON STOCK.

Subject to the Plan, if the outstanding shares of the Common Stock are changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of any reorganization, recapitalization, reclassification, stock split, combination of shares, or dividends payable in capital stock, appropriate and equitable adjustment shall be made by the Board of Directors of the Company, in its sole discretion, in the number and kind of shares as to

which the Option or portion thereof then unexercised shall be exercisable. Such adjustment in the Option shall be made without change in the total price applicable to the unexercised portion of such the Option and with a corresponding adjustment in the Option price per share.

8. EFFECT ON OTHER RIGHTS.

This Agreement shall in no way affect the Optionee's participation in or benefits under any other plan or benefit program maintained or provided by the Company. Nothing in this Agreement shall be construed to give the Optionee any right to any additional options other than in the sole discretion of the Board of Directors of the Company or to confer on the Optionee any right to continue in the employ of the Company or any subsidiary thereof or to continue to be retained as an agent, director of, or consultant to, the Company, or to be evidence of any agreement or understanding, express or implied, that the Company will employ or continue to retain the Optionee in any particular position or at any particular rate of remuneration, or for any particular period of time or to interfere in any way with the right of the Company or a subsidiary thereof (or the right of the Optionee) to terminate the employment or retention of the Optionee at any time, with or without cause, notwithstanding the possibility that the Option may thereby be Terminated entirely.

9. RIGHTS AS A STOCKHOLDER.

The Optionee shall have no rights as a stockholder with respect to any Shares which may be purchased by exercise of the Option until (x) the Option shall have been exercised with respect thereto (including payment to the Company of the Purchase Price), and (y) the earlier to occur of (i) delivery by the Company to the optionee of a certificate therefor or (ii) the date on which the Company is required to deliver a certificate pursuant to the Plan and this Agreement. Except as otherwise expressly provided in the Plan, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such certificate is issued or required to be issued in accordance with the Plan.

10. GOVERNING LAW.

THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS TO BE MADE AND PERFORMED ENTIRELY THEREIN WITHOUT REFERENCE TO CONFLICT OF LAWS PRINCIPLES.

11. WITHHOLDING TAXES.

Whenever Shares are to be issued upon exercise of the Option, the Company shall have the right to require the Optionee to remit to the Company an amount sufficient to satisfy all federal, state and local withholding tax requirements, if any, prior to the delivery of any certificate or certificates for such Shares. The Company may agree to permit the Optionee to withhold Shares purchased upon exercise of this Option to satisfy the above-mentioned withholding requirement.

12. HEADINGS.

The headings contained in this Agreement are for convenience of reference only and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

13. BINDING EFFECT.

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

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed, and the Optionee has hereunto set his or her hand and seal, all as of the day and year first above written.

CORNICHE GROUP INCORPORATED.

By: /s/ JAMES FYFE

Title: Chairman of the Board

/s/ ROBERT F. BENOIT

OPTIONEE

APPENDIX A

TO STOCK OPTION AGREEMENT

OPTIONS GRANTED AND VESTING PERIOD:

Set forth below are the options granted to the Optionee and the vesting schedule with respect thereto.

Number of Shares	Option Price	Vesting Date
37,500	$1.097	2/01/00
18,750	$1.097	6/26/01
18,750	$1.097	6/26/02
50,000	$1.00	2/01/01
25,000	$1.00	2/01/02
25,000	$1.00	2/01/03

EXHIBIT B
TO STOCK OPTION AGREEMENT

Date:

Corniche Group Incorporated
610 S. Industrial
Suite 220
Euless, Texas 76040

Ladies and Gentlemen:

I hereby elect to purchase _____ shares of the Common Stock, par value $.00001 per share, of Corniche Group Incorporated (the "Company") under the option granted to me pursuant to the Stock Option Agreement, dated February 15th, 2000.

Enclosed is [cash] [a check] in the amount of $_____.___ [_____ shares of the Company's Common Stock] in full payment of the shares being purchased ($_____ per share).

Please deliver certificates representing the shares being purchased to me at:

I hereby acknowledge that I have been informed as follows:

1. The shares of common stock of the Company to be issued to me pursuant to the exercise of said option have not been registered under the Securities Act of 1933, as amended (the "1933 Act"), and accordingly, must be held indefinitely unless such shares are subsequently registered under the 1933 Act, or an exemption from such registration is available.

2. Routine sales of securities made in reliance upon Rule 144, if applicable, under the 1933 Act can be made only after the holding period and in limited amounts in accordance with the terms and conditions provided by that Rule, and in any sale to which that Rule is not applicable, registration or compliance with some other exemption under the 1933 Act will be required.

3. The Company is under no obligation to me to register the shares or to comply with any such exemptions under the 1933 Act.

4. The availability of Rule 144, if applicable, is dependent upon adequate current public information with respect to the Company being available and, at the time that I may desire to make a sale pursuant to the Rule, the Company may neither wish nor be able to comply with such requirement.

In consideration of the issuance of certificates for the shares to me, I hereby represent and warrant that I am acquiring such shares for my own account for investment, and that I will not sell, pledge, transfer or otherwise dispose of such shares in the absence of an effective registration statement covering the same, except as permitted by the provisions of Rule 144, if applicable, or some other applicable exemption under the 1933 Act. In view of this representation and warranty, I agree that there may be affixed to the certificates for the shares to be issued to me, and to all certificates issued hereafter representing such shares (until in the opinion of counsel, which opinion must be reasonably satisfactory in form and substance to counsel for the Company, it is no longer necessary or required) a legend as follows:

"The shares of common stock represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), and were acquired by the registered holder, pursuant to a representation and warranty that such holder was acquiring such shares for his or her own account and for investment, with no intention to transfer or dispose of the same, in violation of the registration requirements of the Act. These shares may not be sold, pledged, transferred or otherwise disposed of in the absence of an effective registration statement under the Act, or an opinion of counsel, which opinion is reasonably satisfactory to counsel to the Company, to the effect that registration is not required under the Act."

I further agree that the Company may place a stop order with its Transfer Agent, prohibiting the transfer of such shares, so long as the legend remains on the certificates representing the shares.

Very truly yours,

Optionee:

EXHIBIT 10(b)

EMPLOYMENT AGREEMENT

AGREEMENT made as of the 27th day of June, 2000 by and between Corniche Group Incorporated, a Delaware corporation having offices at 610 S. Industrial Blvd., Suite 220, Euless, Texas 76040 (the "Company"), and John L. King (the "Executive").

WHEREAS, the Company and the Executive wish to set forth the terms and conditions of the Executive's employment by the Company.

NOW, THEREFORE, the parties hereto agree as follows:

1. Employment. The Company agrees to employ the Executive in the capacity herein after set forth, for the term specified in paragraph 2, and the Executive agrees to accept such employment, upon the terms and conditions hereinafter set forth.

2. Term. This Agreement shall be for a term commencing on [June 26th, 2000] (the "Effective Date") and unless this Agreement is sooner terminated under the provisions hereof, expiring three years thereafter (the "Term").

3. Duties and Responsibilities.

   (a) During the Term, the Executive shall serve as an officer of the Company and shall have the title of Vice President Chief Financial Officer. The Term may be extended for such duration and upon such terms and conditions as to which the Company and the Executive may agree, on or prior to, the expiration of the Term.

   (b) The Executive shall devote substantial business efforts to the Company. Other business activities of the Executive shall be limited in time and scope and not conflict with the terms of this Agreement. The Executive will (i) devote his best efforts, skill and ability to promote the Company's interest; (ii) carry out his duties in a competent and professional manner; (iii) work with other employees of the Company in a competent and professional manner and (iv) generally promote the best interests of the Company.

   (c) The Executive's normal place of business shall be 610 S. Industrial Blvd., Suite 220, Euless, Texas 76040.

   (d) The Executive shall have the powers and duties commensurate with his position and the authority to perform these and other such duties as may reasonably be assigned from time to time that are not inconsistent with such position.

4. Compensation.

(a) As compensation for services hereunder and in consideration of his agreement not to compete as set forth in Section 9 below, during the Term, the Company shall pay the Executive in accordance with the Company's normal payroll practices base salary compensation at an annual rate of $75,000.00 less required tax withholding amounts. The annual rate of salary compensation may be reviewed and increased at the discretion of the Board. Annual bonuses may be awarded at the sole discretion of the Board.

(b) As additional consideration for the Executive's agreement to provide services to the Company hereunder, the Executive will receive, non-qualified stock options having a term of five years and covering a total of 100,000 of the Company's shares of common stock. Said options will be granted under the terms of an Option Agreement dated the date hereof and annexed hereto as Exhibit A at the exercise prices and on the vesting terms set forth therein.

5. Expenses: Fringe Benefits.

(a) In addition to the compensation provided for under Section 4, the Company agrees to pay or to reimburse the Executive during the Term for all reasonable, ordinary and necessary vouchered business or entertainment expenses incurred in the performance of his duties hereunder in a manner established by the Company's policy as from time to time in effect.

(b) During the Term the Executive shall be entitled to participate in a health care plan at the Company's expense and such life insurance and 401K plans and other employee benefit plans which become available to senior employees of the Company, including participation in any stock plans and annual incentive plans established by the Company. The executive may add family members to the company's health plan at the executive's expense.

(c) The Executive shall be entitled to a combined 2 weeks 10 business days of paid vacation per calendar year in addition to ten 10 public holidays provided that no more than ten 10 consecutive days of vacation shall be taken at any one time without the prior approval of the Chief Executive Officer of the Company.

6. Discharge by Company.

(a) The Company shall be entitled to terminate the Term and to discharge the Executive for "cause". The term "cause" shall be limited to the following.

(i) The Executive's failure or unreasonable refusal to perform his duties and responsibilities under this Agreement.

(ii) Dishonesty affecting the Company.

(iii) Conviction of a felony or of any crime involving fraud or misrepresentations.

(iv) The Executive's failure to adequately perform his responsibilities.

(v) The commission of a willful or intentional act which could injure the reputation, business or business relationships of the Company.

(vi) Any material breach of this Agreement, if such breach is not cured within 30 days after receipt by the Executive of written notice thereof from the Company, and

(b) Disability pursuant to Section 7 hereof.

(c) If Executive's employment is terminated by the Company without cause, in addition to the salary and benefits accrued through the date of termination, Executive will receive as severance an amount equal to 18 months base salary. Such severance payment shall be payable in equal installments or as mutually agreed by the Executive and the Company in a lump sum discounted using the prime rate then in effect at Citibank, N.A. In addition to his base salary the Company will pay Executive the cost of continuing medical insurance. Termination without cause shall include action by the Company, without Executive's consent, pursuant to which his duties or title are materially reduced or assignment of duties become materially inconsistent with duties stated herein.

7. Disability, Death.

(a) If the executive shall be unable to perform his duties hereunder by virtue of physical or mental incapacity or disability (from any cause or causes whatsoever) in substantially the manner and to the extent required hereunder prior to the commencement of such disability (all such causes being herein referred to as "disability") and the Executive shall fail to have performed substantially such duties for periods aggregating ninety (90) days, whether or not continuous, in any continuous period of one hundred eighty (180) days, the Company shall have the right to terminate the Executive's employment hereunder as at the end of any calendar month

upon written notice to him. Said notice of intention to terminate the Executive must be given by the Company within ninety (90) days following the 90th day of disability, in which case the Executive shall be entitled to his base salary compensation to the end of such calendar month and for a continuing period of three (3) months thereafter payable on the regular payroll schedule.

(b) In the case of the death of the Executive, this Agreement shall terminate and the company shall be obligated to pay to the Executive's estate or as otherwise directed by the Executive's duly appointed and authorized legal representative, his then base salary compensation and all accrued benefits through the date of death.

8. Voluntary Termination. The Executive may terminate his employment for any reason at any time upon ninety (90) days prior written notice to the Company. If the Executive voluntarily terminates his employment prior to the term hereunder, he shall only be entitled to receive compensation accrued through the date of termination and shall not be entitled to any prorated amounts for vacation pay.

9. Confidentiality; Covenant Against Competition; Intellectual Property.

(a) The Executive recognizes and acknowledges that all information pertaining to the affairs, business, clients or customers of the Company or any of its subsidiaries or affiliates or predecessors (any or all of such of such entities being hereinafter referred to as the "Businesses"), as such information may exist from time to time, other than information that the Company has previously made publicly available or which has otherwise entered the public domain through no fault of the Executive, is confidential information and is a unique and valuable asset of the Businesses, access to and knowledge of which will be essential to the Executive's duties under this Agreement. In consideration of the payments made to him hereunder, the Executive shall not, except to the extent reasonably necessary in the performance of his duties under this Agreement, during the term of his employment hereunder and thereafter, divulge to any person, firm, association, corporation or governmental agency, any information concerning the affairs, business, clients or customers of the Business (except such information as is required by law to be divulged to a government agency or pursuant to subpoena or similar lawful process), or make use of any such information for his own purposes or for the benefit of any person, firm, association, company, corporation (except the Businesses) or entity and shall use his reasonable best efforts to prevent the disclosure of any such information by others. All records, memoranda, letters, books,

papers, reports, customer lists, accountings or other data and records and documents relating to the Businesses, whether made by the Executive or otherwise coming into his possession, are confidential information and are, shall be, and shall remain the property of the Businesses. No copies thereof shall be made which are not retained by the Businesses, and the Executive agrees, on termination of his employment, that he will not retain or make copies of any such documents relating to the Businesses and, on demand of the Company, deliver the same to the Company.

(b) All information and all of the Executive's interest in trade secrets, trademarks, computer programs, customer information, customer lists, employee lists, products, procedures, copyrights, patents and developments developed by the Executive as a result of, or in connection with, his employment hereunder, shall belong to the Company; and without further compensation, but at the Company's expense, upon the request of the Company, the Executive shall execute any and all assignments or other documents and take any and all such other action as the Company may reasonably request in order to vest in the Company all of the Executive's right, title, and interest in and all of the foregoing items, free and clear of all liens, charges and encumbrances of the Executive of any kind.

(c) In consideration of the payments made to him hereunder, during the period commencing on the effective date of the termination of his employment and ending on the second (2nd) anniversary of such effective date of termination, or in the case of termination for any reason during the Trail Period (90) days ending on the first (1st) anniversary of such effective date of termination (collectively, such periods to be referred to as the "Restrictive Period"), the Executive shall not, without the express prior written approval of the Board, as evidenced by a resolution of the Board, directly or indirectly, for himself or on behalf of or in conjunction with, any other person, persons, company, partnership, corporation or business of whatever nature:

(i) own or hold any proprietary interest in, be employed by or receive remuneration from, or engage as an officer, director or in any managerial capacity, whether as an employee, independent contractor, consultant or advisor, or as a sales representative of, any corporation, company, partnership, sole proprietorship or other entity engaged in competition with the Company or any of its subsidiaries or affiliates (a "Competitor") in the "Territory", other than severance-type or retirement-type benefits from entities constituting prior employers of the Executive;

(ii) solicit for himself or for the account of any Competitor, any customer or client of the Company or its subsidiaries or affiliates, or, in the event of the Executive's termination of his employment, any entity or individual that was such a customer or client during the eighteen (18) month period immediately preceding the Executive's termination of employment;

(iii) Act on behalf of himself or any Competitor to interfere with the relationship between the Company or its subsidiaries or affiliates and their employees, independent contractors, customers or suppliers;

(iv) Hire an employee of the Company or induce any such employee to leave the employment of the Company.

For the purposes of this Agreement, "Territory" shall mean each and every State in the United States or any other country in which the Businesses conduct business operations.

For the purposes of the preceding paragraphs, (i) the term proprietary interest means legal or equitable ownership, whether through shareholding or otherwise, of an equity interest in a business, firm or entity other than ownership of less than two (2%) percent of any class of equity interest in a publicly held business, firm or entity and (ii) an entity shall be considered to be "engaged in competition" if such entity is, or is a holding company for, a company or corporation that directly competes with any aspect of the business of the Businesses as it is being conducted by them at the date of termination of employment, in the Territory, with the phrase "directly competes" to be interpreted reasonably by the parties so as to protect the Company against unfair competition without unnecessarily intruding on the Executive's ability to earn a living in his area of expertise.

(d) The Executive acknowledges the reasonableness of the restrictions contained in this Section 9. The Executive acknowledges that the Company, and its successors and assigns would be irreparably injured in a manner not adequately compensated by money damages by a breach or violation of the provisions of this Section 9 by the Executive. Therefore, in the event of any such breach or violation (or threatened breach or violation), in addition to all other rights and remedies which the Company, whether at law or in equity, the Company and its successors and assigns shall be entitled to obtain injunctive or other equitable relief against the Executive without the need to post bond or other security in connection therewith and the Executive hereby consents to the entry of an order for such injunctive or other equitable relief.

(e) The Executive's agreement as set forth in this Section 9 shall survive the expiration of the Term and the termination of the Executive's employment with the Company.

(f) If any court determines that the provisions of this Section 9, or any part thereof, is unenforceable because of the duration or geographic scope of such provisions, such court shall have the power to reduce the duration or scope of such provisions, as the case may be, so that, as so reduced, such provisions are then enforceable to the maximum extent permitted by applicable law.

(g) From the date hereof until the end of the Term, the Executive will disclose to the Company all ideas, inventions and business plans developed by him during such period which relate directly or indirectly to the business of the Company including without limitation, any design, logo, slogan or campaign or any process, operation, product or improvement which may be patentable or copyrightable. The Executive agrees that all patents, licenses, copyrights, tradenames, trademarks, service marks, campaigns, designs, logos, slogans and business plans developed or created by the Executive in the course of his employment hereunder, either individually or in collaboration with others, will be deemed works for hire and the sole and absolute property of the Company. The Executive agrees that, at the Company's request, he will take all steps to secure the rights thereto to the Company by patent, copyright or otherwise.

10. Change of Control. In the event of a "change in control" in the Company, prior to the vesting date for any stock options provided to the Executive under this Agreement, that adversely impacts Executive's ability to vest in or to exercise such options, the company shall either accelerate the vesting date of the options such that the Executive may exercise them in timely fashion; or pay to Executive the cash value of the options (fair market value of shares less exercise price) immediately prior to the date of the change of control; or make some financial arrangement making executive whole that is mutually agreeable to the Company and the Executive. A "change in control" shall be deemed to occur when, a corporation, partnership, association or entity, directly or indirectly (through a subsidiary or otherwise), (i) acquires or is granted the right to acquire, directly or though merger or similar transaction, a majority of the Company's outstanding voting securities or shares, or (ii) all or substantially all of the Company's assets.

In addition, upon a change of control Executive shall have the option, exercisable in writing within 30 days after the effective date of the change in control, to terminate the Employment Agreement and to receive as a severance payment an amount equal to 18 months base salary. Such severance payment shall be payable in equal monthly installments or, at the option of the Company, in a lump sum payment discounted based on the then current prime rate of interest of Citibank N.A. In addition to his base salary the Company will pay Executive the cost of continuing medical insurance for the severance period.

11. Resolution of Disputes. Any dispute by and among the parties hereto arising out of or relying to this Agreement, the terms, conditions or a breach thereof, or the rights or obligations of the parties with respect thereto, shall be arbitrated in the [Tarrant County, Texas] before and pursuant to then applicable commercial rules and regulations of the American Arbitration Association, or any successor organization. The arbitration proceedings shall be conducted by a panel of three arbitrators, one of whom shall be selected by the Company, one by the Executive (or his legal representative) and the third arbitrator by the first two chosen. The parties shall use their best efforts to assure that the selection of the arbitrators shall be completed within thirty (30) days and the parties shall use their best efforts to complete the arbitration as quickly as possible. In such proceeding, the arbitration panel shall determine who is a substantially prevailing party and shall award to such party its reasonable attorneys', accounts' and other professionals' fees and its costs incurred in connection with the proceeding. The award of the arbitration panel shall be final, binding upon the parties and nonappealable and may be entered in and enforced by any court of competent jurisdiction. Such court may add to the award of the arbitration panel additional reasonable attorneys' fees and costs incurred by the substantially prevailing party in attempting to enforce the award.

12. Enforceability. The failure of either party at any time to require performance by the other party of any provision hereunder in no way shall affect the right of that party thereafter to enforce the same, nor shall it affect any other party's right to enforce the same, or to enforce any of the other provisions of this Agreement; nor shall the waiver by either party of the breach of any provision hereof be taken or held to be a waiver of any subsequent breach of such provision or as a waiver of the provision itself.

13. Assignment. This Agreement is a personal contract and the Executive's rights and obligations hereunder may not be sold, transferred, assigned, pledged or hypothecated by the Executive.

14. Modification. This Agreement cannot be cancelled, changed, modified, or amended orally, and no cancellation, change, modification or amendment shall be effective or binding, unless it is in writing, signed by both parties to this Agreement.

15. Severability: Survival. If any provision of this Agreement is held to be void and unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement nevertheless shall be binding upon the parties with same effect as though the void or unenforceable part has been severed and deleted.

16. Notice. Notices given pursuant to the provisions of this Agreement shall be sent by certified mail, postage prepaid, or by overnight courier, or by telex, telecopier or telegraph, charges prepaid, to the following address:

To the Company

Corniche Group Incorporated
610 S. Industrial Blvd.
Suite 220
Euless, Texas 76040
Fax: (817) 283 4365

with a copy to:
Haynes and Boone, LLP
901 Main St., Suite 3100
Dallas, Texas 75202

To the Executive

Mr. John L. King, residing at 2717 Lookout Dr. 3208 Garland, Texas 75044.

17. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

18. No Conflict. The Executive represents and warrants that he is not subject to any agreement, instrument, judgement order or decree of any kind, or any other restrictive agreement of any character, which would prevent him from entering into this Agreement or which would be breached by the Executive upon his performance of his duties pursuant to this Agreement.

19. Entire Agreement. This Agreement represents the entire agreement between the Company and the Executive with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have set their hands and seals on and as of the day and year first written above.

CORNICHE GROUP INCORPORATED

/s/ ROBERT F. BENOIT

Robert F. Benoit
Chief Executive Officer

EXECUTIVE

/s/ JOHN L. KING

John L. King
Vice President CFO

EXHIBIT A

CORNICHE GROUP INCORPORATED

NON-QUALIFIED STOCK OPTION AGREEMENT

AGREEMENT made as of June 27th, 2000, by and between Corniche Group Incorporated, a Delaware corporation with its principal place of business at 610 S. Industrial Blvd., Suite 220, Euless, Texas 76040 (the "Company"), and the undersigned (the "Optionee").

WITNESSETH:

WHEREAS, the Company considers it desirable and in its best interests that the Optionee be encouraged to acquire an ownership interest in the Company, and thereby have an added incentive to advance the interests of the Company, by the grant of an option to purchase shares of the Company's common stock, par value $.001 per share (the "Common Stock"), on the terms and conditions hereinafter set forth; and

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the Company and the Optionee hereby agree as follows:

1. GRANT OF OPTION.

The Company hereby grants to the Optionee, the right, privilege and option (the "Option") to purchase 100,000 shares of the Company's Common Stock (the "Shares") at the exercise prices $1.88 and on the vesting terms ("Vesting Terms") set forth in Appendix A. Such number of Shares issuable upon exercise of the Option shall be subject to adjustment as provided in Section 7 below.

2. TIME OF EXERCISE OF OPTION.

Subject to the provisions of Section 4 below, the Option shall vest as provided in Appendix A, provided, however, that upon a Change in Control of the Company (as defined in the Employment Agreement between the Company and the Optionee dated June 26th, 2000), the Option shall be immediately exercisable. To the extent the Option is not exercised by the Optionee when it becomes exercisable, it shall continue in full force and effect until the Expiration Date (as hereinafter defined).

3. METHOD OF EXERCISE.

The Option shall be exercised by written notice in the form of Appendix B hereto directed to the Company at the Company's address set forth above, duly executed by the Optionee, specifying the number of shares being purchased and accompanied by either (i) cash or check payable to the order of the Company in full payment of the Purchase Price for the number of Shares being purchased, or (ii) certificate(s), duly endorsed for transfer to the

Company with signature guaranteed, for that number of previously acquired Shares having an aggregate fair market value as determined in accordance with the Plan ("Fair Market Value"), on the date of exercise equal to the full Purchase Price for the number of Shares being purchased, or (iii) a combination of (i) and (ii).

The Option shall not be exercisable at any time in an amount less than 100 Shares (or the remaining fraction of a Share then covered by and purchasable under the Option if less than 100 Shares).

4. TERM OF OPTIONS; EXERCISABILITY.

(i) This Option shall expire 5 years from the date hereof of this Agreement (the "Expiration Date"), subject to earlier termination as herein provided.

(ii) Except as otherwise provided in this Section 4, if the Optionee's employment by the Company is terminated for any reason, the Option shall terminate on the earlier of (i) three months after the date the Optionee's employment is terminated, or (ii) the date on which the Option expires by its terms.

(iii) If the Optionee's employment by, of, or to, the Company is terminated by the Company for cause (as such term is defined in his employment agreement), the Option will to the extent not terminated be deemed to have terminated on the date immediately preceding the date the Optionee's employment by, or retention as an agent, director of, or consultant to, the Company is terminated by the Company and its subsidiaries.

(iv) If the Optionee's employment by the Company is terminated because of disability or death, the Option shall terminate on the earlier of (i) one year after termination, or (ii) the date on which the Option expires by its terms.

5. NON-TRANSFERABILITY.

The right of the Optionee to exercise the Option shall not be assignable or transferable by the Optionee otherwise than by will or the laws of descent and distribution, and the Option may be exercised during the lifetime of the Optionee only by the Optionee. The Option shall be null and void and without effect upon the bankruptcy of the Optionee or upon any attempted assignment or transfer, except as hereinabove provided, including without limitation, any purported assignment, whether voluntary or by operation of law, pledge, hypothecation or other disposition contrary to the provisions hereof, or levy of execution, attachment, trustee process or similar process, whether legal or equitable, upon the Option.

6. REPRESENTATION LETTER AND INVESTMENT LEGEND.

(a) Notwithstanding the provisions of Sections 3 and 4 hereof, the Option cannot be exercised, and the Company may delay the issuance of the Shares covered by the exercise of the Option and the delivery of a certificate for the Shares, until one of the following conditions shall be satisfied:

(i) The Shares with respect to which the Option has been exercised are at the time of the issuance of the Shares effectively registered or qualified under applicable federal and state securities acts now in force or as hereafter amended; or

(ii) Counsel for the Company shall have given an opinion, which opinion shall not be unreasonably conditioned or withheld, that the issuance of the Shares is exempt from registration and qualification under applicable federal and state securities acts now in force or as hereafter amended.

(b) In the event that for any reason the Shares to be issued upon exercise of the Option shall not be effectively registered under the Securities Act of 1933, as amended (the "1933 Act"), upon any date on which the Option is exercised in whole or in part, the Optionee shall give a written representation to the Company in the form attached hereto as Exhibit A and the Company shall place an "investment legend," so-called, as described in Exhibit A, upon any certificate for the Shares issued by reason of such exercise. In the event that the Company shall, nevertheless, deem it necessary or desirable to register under the 1933 Act or other applicable statutes the Shares with respect to which the Option shall have been exercised, or to qualify the Shares for exemption from the 1933 Act or other applicable statutes, then the Company may take such action and may require from the Optionee such information in writing for use in any registration statement, supplementary registration statement, prospectus, preliminary prospectus, offering circular or any other document that is reasonably necessary for such purpose and may require reasonable indemnity to the Company and its officers and directors from the Optionee against all losses, claims, damages and liabilities arising from such use of the information so furnished and caused by any untrue statement of any material fact therein or caused by the omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made.

(c) The Company shall be under no obligation to qualify the Shares or to cause a registration statement or a post-effective amendment to any registration statement to be prepared for the purposes of covering the issue of the Shares or to cause the issuance of the Shares to be exempt from registration and qualification under applicable federal and state securities acts now in force or as hereinafter amended, except as otherwise agreed to by the Company in writing in its sole discretion and, accordingly, the Company may delay the issuance of the Shares covered by the exercise of the Option and the delivery of a certificate for the Shares until the Company shall have determined that all conditions to the issuance of the Shares shall have been satisfied.

7. ADJUSTMENT IN AND CHANGES IN COMMON STOCK.

Subject to the Plan, if the outstanding shares of the Common Stock are changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of any reorganization, recapitalization, reclassification, stock split, combination of shares, or dividends payable in capital stock, appropriate and equitable adjustment shall be made by the Board of Directors of the Company, in its sole discretion, in the number and kind of shares as to which the Option or portion thereof then unexercised shall be exercisable. Such adjustment in

the Option shall be made without change in the total price applicable to the unexercised portion of such the Option and with a corresponding adjustment in the Option price per share.

8. EFFECT ON OTHER RIGHTS.

This Agreement shall in no way affect the Optionee's participation in or benefits under any other plan or benefit program maintained or provided by the Company. Nothing in this Agreement shall be construed to give the Optionee any right to any additional options other than in the sole discretion of the Board of Directors of the Company or to confer on the Optionee any right to continue in the employ of the Company or any subsidiary thereof or to continue to be retained as an agent, director of, or consultant to, the Company, or to be evidence of any agreement or understanding, express or implied, that the Company will employ or continue to retain the Optionee in any particular position or at any particular rate of remuneration, or for any particular period of time or to interfere in any way with the right of the Company or a subsidiary thereof (or the right of the Optionee) to terminate the employment or retention of the Optionee at any time, with or without cause, notwithstanding the possibility that the Option may thereby be terminated entirely.

9. RIGHTS AS A STOCKHOLDER.

The Optionee shall have no rights as a stockholder with respect to any Shares which may be purchased by exercise of the Option until (x) the Option shall have been exercised with respect thereto (including payment to the Company of the Purchase Price), and (y) the earlier to occur of (i) delivery by the Company to the optionee of a certificate therefor or (ii) the date on which the Company is required to deliver a certificate pursuant to the Plan and this Agreement. Except as otherwise expressly provided in the Plan, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such certificate is issued or required to be issued in accordance with the Plan.

10. GOVERNING LAW.

THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS TO BE MADE AND PERFORMED ENTIRELY THEREIN WITHOUT REFERENCE TO CONFLICT OF LAWS PRINCIPLES.

11. WITHHOLDING TAXES.

Whenever Shares are to be issued upon exercise of the Option, the Company shall have the right to require the Optionee to remit to the Company an amount sufficient to satisfy all federal, state and local withholding tax requirements, if any, prior to the delivery of any certificate or certificates for such Shares. The Company may agree to permit the Optionee to withhold Shares purchased upon exercise of this Option to satisfy the above-mentioned withholding requirement.

12. HEADINGS.

The headings contained in this Agreement are for convenience of reference only and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

13. BINDING EFFECT.

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

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed, and the Optionee has hereunto set his or her hand and seal, all as of the day and year first above written.

CORNICHE GROUP INCORPORATED.

By: /s/ ROBERT F. BENOIT

Title: Chief Executive Officer

/s/ /s/ JOHN L. KING

OPTIONEE

APPENDIX A

TO STOCK OPTION AGREEMENT

OPTIONS GRANTED AND VESTING PERIOD:

Set forth below are the options granted to the Optionee and the vesting schedule with respect thereto.

Number of Shares	Option Price	Vesting Date
50,000	$1.88	6/26/01
25,000	$1.88	6/26/02
25,000	$1.88	6/26/03

EXHIBIT B
TO STOCK OPTION AGREEMENT

Date:_____

Corniche Group Incorporated
610 S. Industrial
Suite 220
Euless, Texas 76040

Ladies and Gentlemen:

I hereby elect to purchase _____ shares of the Common Stock, par value $.00001 per share, of Corniche Group Incorporated (the "Company") under the option granted to me pursuant to the Stock Option Agreement, dated June 27th, 2000.

Enclosed is [cash] [a check] in the amount of $_____.___ [_____ shares of the Company's Common Stock] in full payment of the shares being purchased ($_____ per share).

Please deliver certificates representing the shares being purchased to me at:

I hereby acknowledge that I have been informed as follows:

1. The shares of common stock of the Company to be issued to me pursuant to the exercise of said option have not been registered under the Securities Act of 1933, as amended (the "1933 Act"), and accordingly, must be held indefinitely unless such shares are subsequently registered under the 1933 Act, or an exemption from such registration is available.

2. Routine sales of securities made in reliance upon Rule 144, if applicable, under the 1933 Act can be made only after the holding period and in limited amounts in accordance with the terms and conditions provided by that Rule, and in any sale to which that Rule is not applicable, registration or compliance with some other exemption under the 1933 Act will be required.

3. The Company is under no obligation to me to register the shares or to comply with any such exemptions under the 1933 Act.

4. The availability of Rule 144, if applicable, is dependent upon adequate current public information with respect to the Company being available and, at the time that I may desire to make a sale pursuant to the Rule, the Company may neither wish nor be able to comply with such requirement.

In consideration of the issuance of certificates for the shares to me, I hereby represent and warrant that I am acquiring such shares for my own account for investment, and that I will not sell, pledge, transfer or otherwise dispose of such shares in the absence of an effective registration statement covering the same, except as permitted by the provisions of Rule 144, if applicable, or some other applicable exemption under the 1933 Act. In view of this representation and warranty, I agree that there may be affixed to the certificates for the shares to be issued to me, and to all certificates issued hereafter representing such shares (until in the opinion of counsel, which opinion must be reasonably satisfactory in form and substance to counsel for the Company, it is no longer necessary or required) a legend as follows:

"The shares of common stock represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), and were acquired by the registered holder, pursuant to a representation and warranty that such holder was acquiring such shares for his or her own account and for investment, with no intention to transfer or dispose of the same, in violation of the registration requirements of the Act. These shares may not be sold, pledged, transferred or otherwise disposed of in the absence of an effective registration statement under the Act, or an opinion of counsel, which opinion is reasonably satisfactory to counsel to the Company, to the effect that registration is not required under the Act."

I further agree that the Company may place a stop order with its Transfer Agent, prohibiting the transfer of such shares, so long as the legend remains on the certificates representing the shares.

Very truly yours,

Optionee:

EXHIBIT 10(c)

EMPLOYMENT AGREEMENT

AGREEMENT made as of the 26th day of June, 2000 by and between Corniche Group Incorporated, a Delaware corporation having offices at 610 S. Industrial Blvd, Suite 220, Euless, Texas 76040 (the "Company"), and David H. Boltz (the "Executive").

WHEREAS, the Company and the Executive wish to set forth the terms and conditions of the Executive's employment by the Company.

NOW, THEREFORE, the parties hereto agree as follows:

1. Employment. The Company agrees to employ the Executive in the capacity herein after set forth, for the term specified in paragraph 2, and the Executive agrees to accept such employment, upon the terms and conditions hereinafter set forth.

2. Term. This Agreement shall be for a term commencing on [June 26th, 2000] (the "Effective Date") and unless this Agreement is sooner terminated under the provisions hereof, expiring three years thereafter (the "Term").

3. Duties and Responsibilities.

   (a) During the Term, the Executive shall serve as an officer of the Company and shall have the title of Vice President Chief Information Officer. The Term may be extended for such duration and upon such terms and conditions as to which the Company and the Executive may agree, on or prior to, the expiration of the Term.

   (b) The Executive shall devote substantial business efforts to the Company. Other business activities of the Executive shall be limited in time and scope and not conflict with the terms of this Agreement. The Executive will (i) devote his best efforts, skill and ability to promote the Company's interest; (ii) carry out his duties in a competent and professional manner; (iii) work with other employees of the Company in a competent and professional manner and (iv) generally promote the best interests of the Company.

   (c) The Executive's normal place of business shall be 610 S. Industrial Blvd., Suite 220, Euless, Texas 76040.

   (d) The Executive shall have the powers and duties commensurate with his position and the authority to perform these and other such duties as may reasonably be assigned from time to time that are not inconsistent with such position.

4. Compensation.

(a) As compensation for services hereunder and in consideration of his agreement not to compete as set forth in Section 9 below, during the Term, the Company shall pay the Executive in accordance with the Company's normal payroll practices base salary compensation at an annual rate of $75,000.00 less required tax withholding amounts. The annual rate of salary compensation may be reviewed and increased at the discretion of the Board. Annual bonuses may be awarded at the sole discretion of the Board.

(b) As additional consideration for the Executive's agreement to provide services to the Company hereunder, the Executive will receive, non-qualified stock options having a term of five years and covering a total of 100,000 of the Company's shares of common stock. Said options will be granted under the terms of an Option Agreement dated the date hereof and annexed hereto as Exhibit A at the exercise prices and on the vesting terms set forth therein.

5. Expenses: Fringe Benefits.

(a) In addition to the compensation provided for under Section 4, the Company agrees to pay or to reimburse the Executive during the Term for all reasonable, ordinary and necessary vouchered business or entertainment expenses incurred in the performance of his duties hereunder in a manner established by the Company's policy as from time to time in effect.

(b) During the Term the Executive shall be entitled to participate in a health care plan at the Company's expense and such life insurance and 401K plans and other employee benefit plans which become available to senior employees of the Company, including participation in any stock plans and annual incentive plans established by the Company. The executive may add family members to the company's health plan at the executive's expense.

(c) The Executive shall be entitled to a combined 2 weeks 10 business days of paid vacation per calendar year in addition to ten 10 public holidays provided that no more than ten 10 consecutive days of vacation shall be taken at any one time without the prior approval of the Chief Executive Officer of the Company.

6. Discharge by Company.

(a) The Company shall be entitled to terminate the Term and to discharge the Executive for "cause". The term "cause" shall be limited to the following.

(i) The Executive's failure or unreasonable refusal to perform his duties and responsibilities under this Agreement.

(ii) Dishonesty affecting the Company.

(iii) Conviction of a felony or of any crime involving fraud or misrepresentations.

(iv) The Executive's failure to adequately perform his responsibilities.

(v) The commission of a willful or intentional act which could injure the reputation, business or business relationships of the Company.

(vi) Any material breach of this Agreement, if such breach is not cured within 30 days after receipt by the Executive of written notice thereof from the Company, and

(b) Disability pursuant to Section 7 hereof.

(c) If Executive's employment is terminated by the Company without cause, in addition to the salary and benefits accrued through the date of termination, Executive will receive as severance an amount equal to 18 months base salary. Such severance payment shall be payable in equal installments or as mutually agreed by the Executive and the Company in a lump sum discounted using the prime rate then in effect at Citibank, N.A. In addition to his base salary the Company will pay Executive the cost of continuing medical insurance. Termination without cause shall include action by the Company, without Executive's consent, pursuant to which his duties or title are materially reduced or assignment of duties become materially inconsistent with duties stated herein.

7. Disability, Death.

(a) If the executive shall be unable to perform his duties hereunder by virtue of physical or mental incapacity or disability (from any cause or causes whatsoever) in substantially the manner and to the extent required hereunder prior to the commencement of such disability (all such causes being herein referred to as "disability") and the Executive shall fail to have performed substantially such duties for periods aggregating ninety (90) days, whether or not continuous, in any continuous period of one hundred eighty (180) days, the Company shall have the right to terminate the Executive's employment hereunder as at the end of any calendar month

upon written notice to him. Said notice of intention to terminate the Executive must be given by the Company within ninety (90) days following the 90th day of disability, in which case the Executive shall be entitled to his base salary compensation to the end of such calendar month and for a continuing period of three (3) months thereafter payable on the regular payroll schedule.

(b) In the case of the death of the Executive, this Agreement shall terminate and the company shall be obligated to pay to the Executive's estate or as otherwise directed by the Executive's duly appointed and authorized legal representative, his then base salary compensation and all accrued benefits through the date of death.

8. Voluntary Termination. The Executive may terminate his employment for any reason at any time upon ninety (90) days prior written notice to the Company. If the Executive voluntarily terminates his employment prior to the term hereunder, he shall only be entitled to receive compensation accrued through the date of termination and shall not be entitled to any prorated amounts for vacation pay.

9. Confidentiality; Covenant Against Competition; Intellectual Property.

(a) The Executive recognizes and acknowledges that all information pertaining to the affairs, business, clients or customers of the Company or any of its subsidiaries or affiliates or predecessors (any or all of such of such entities being hereinafter referred to as the "Businesses"), as such information may exist from time to time, other than information that the Company has previously made publicly available or which has otherwise entered the public domain through no fault of the Executive, is confidential information and is a unique and valuable asset of the Businesses, access to and knowledge of which will be essential to the Executive's duties under this Agreement. In consideration of the payments made to him hereunder, the Executive shall not, except to the extent reasonably necessary in the performance of his duties under this Agreement, during the term of his employment hereunder and thereafter, divulge to any person, firm, association, corporation or governmental agency, any information concerning the affairs, business, clients or customers of the Business (except such information as is required by law to be divulged to a government agency or pursuant to subpoena or similar lawful process), or make use of any such information for his own purposes or for the benefit of any person, firm, association, company, corporation (except the Businesses) or entity and shall use his reasonable best efforts to prevent the disclosure of any such information by others. All records, memoranda, letters, books,

papers, reports, customer lists, accountings or other data and records and documents relating to the Businesses, whether made by the Executive or otherwise coming into his possession, are confidential information and are, shall be, and shall remain the property of the Businesses. No copies thereof shall be made which are not retained by the Businesses, and the Executive agrees, on termination of his employment, that he will not retain or make copies of any such documents relating to the Businesses and, on demand of the Company, deliver the same to the Company.

(b) All information and all of the Executive's interest in trade secrets, trademarks, computer programs, customer information, customer lists, employee lists, products, procedures, copyrights, patents and developments developed by the Executive as a result of, or in connection with, his employment hereunder, shall belong to the Company; and without further compensation, but at the Company's expense, upon the request of the Company, the Executive shall execute any and all assignments or other documents and take any and all such other action as the Company may reasonably request in order to vest in the Company all of the Executive's right, title, and interest in and all of the foregoing items, free and clear of all liens, charges and encumbrances of the Executive of any kind.

(c) In consideration of the payments made to him hereunder, during the period commencing on the effective date of the termination of his employment and ending on the second (2nd) anniversary of such effective date of termination, or in the case of termination for any reason during the Trail Period (90) days ending on the first (1st) anniversary of such effective date of termination (collectively, such periods to be referred to as the "Restrictive Period"), the Executive shall not, without the express prior written approval of the Board, as evidenced by a resolution of the Board, directly or indirectly, for himself or on behalf of or in conjunction with, any other person, persons, company, partnership, corporation or business of whatever nature:

(i) own or hold any proprietary interest in, be employed by or receive remuneration from, or engage as an officer, director or in any managerial capacity, whether as an employee, independent contractor, consultant or advisor, or as a sales representative of, any corporation, company, partnership, sole proprietorship or other entity engaged in competition with the Company or any of its subsidiaries or affiliates (a "Competitor") in the "Territory", other than severance-type or retirement-type benefits from entities constituting prior employers of the Executive;

(ii) solicit for himself or for the account of any Competitor, any customer or client of the Company or its subsidiaries or affiliates, or, in the event of the Executive's termination of his employment, any entity or individual that was such a customer or client during the eighteen (18) month period immediately preceding the Executive's termination of employment;

(iii) Act on behalf of himself or any Competitor to interfere with the relationship between the Company or its subsidiaries or affiliates and their employees, independent contractors, customers or suppliers;

(iv) Hire an employee of the Company or induce any such employee to leave the employment of the Company.

For the purposes of this Agreement, "Territory" shall mean each and every State in the United States or any other country in which the Businesses conduct business operations.

For the purposes of the preceding paragraphs, (i) the term proprietary interest means legal or equitable ownership, whether through shareholding or otherwise, of an equity interest in a business, firm or entity other than ownership of less than two (2%) percent of any class of equity interest in a publicly held business, firm or entity and (ii) an entity shall be considered to be "engaged in competition" if such entity is, or is a holding company for, a company or corporation that directly competes with any aspect of the business of the Businesses as it is being conducted by them at the date of termination of employment, in the Territory, with the phrase " directly competes" to be interpreted reasonably by the parties so as to protect the Company against unfair competition without unnecessarily intruding on the Executive's ability to earn a living in his area of expertise.

(d) The Executive acknowledges the reasonableness of the restrictions contained in this Section 9. The Executive acknowledges that the Company, and its successors and assigns would be irreparably injured in a manner not adequately compensated by money damages by a breach or violation of the provisions of this Section 9 by the Executive. Therefore, in the event of any such breach or violation (or threatened breach or violation), in addition to all other rights and remedies which the Company, whether at law or in equity, the Company and its successors and assigns shall be entitled to obtain injunctive or other equitable relief against the Executive without the need to post bond or other security in connection therewith and the Executive hereby consents to the entry of an order for such injunctive or other equitable relief.

(e) The Executive's agreement as set forth in this Section 9 shall survive the expiration of the Term and the termination of the Executive's employment with the Company.

(f) If any court determines that the provisions of this Section 9, or any part thereof, is unenforceable because of the duration or geographic scope of such provisions, such court shall have the power to reduce the duration or scope of such provisions, as the case may be, so that, as so reduced, such provisions are then enforceable to the maximum extent permitted by applicable law.

(g) From the date hereof until the end of the Term, the Executive will disclose to the Company all ideas, inventions and business plans developed by him during such period which relate directly or indirectly to the business of the Company including without limitation, any design, logo, slogan or campaign or any process, operation, product or improvement which may be patentable or copyrightable. The Executive agrees that all patents, licenses, copyrights, tradenames, trademarks, service marks, campaigns, designs, logos, slogans and business plans developed or created by the Executive in the course of his employment hereunder, either individually or in collaboration with others, will be deemed works for hire and the sole and absolute property of the Company. The Executive agrees that, at the Company's request, he will take all steps to secure the rights thereto to the Company by patent, copyright or otherwise.

10. Change of Control. In the event of a "change in control" in the Company, prior to the vesting date for any stock options provided to the Executive under this Agreement, that adversely impacts Executive's ability to vest in or to exercise such options, the company shall either accelerate the vesting date of the options such that the Executive may exercise them in timely fashion; or pay to Executive the cash value of the options (fair market value of shares less exercise price) immediately prior to the date of the change of control; or make some financial arrangement making executive whole that is mutually agreeable to the Company and the Executive. A "change in control" shall be deemed to occur when, a corporation, partnership, association or entity, directly or indirectly (through a subsidiary or otherwise), (i) acquires or is granted the right to acquire, directly or though merger or similar transaction, a majority of the Company's outstanding voting securities or shares, or (ii) all or substantially all of the Company's assets.

In addition, upon a change of control Executive shall have the option, exercisable in writing within 30 days after the effective date of the change in control, to terminate the Employment Agreement and to receive as a severance payment an amount equal to 18 months base salary. Such severance payment shall be payable in equal monthly installments or, at the option of the Company, in a lump sum payment discounted based on the then current prime rate of interest of Citibank N.A. In addition to his base salary the Company will pay Executive the cost of continuing medical insurance for the severance period.

11. Resolution of Disputes. Any dispute by and among the parties hereto arising out of or relying to this Agreement, the terms, conditions or a breach thereof, or the rights or obligations of the parties with respect thereto, shall be arbitrated in the [Tarrant County, Texas] before and pursuant to then applicable commercial rules and regulations of the American Arbitration Association, or any successor organization. The arbitration proceedings shall be conducted by a panel of three arbitrators, one of whom shall be selected by the Company, one by the Executive (or his legal representative) and the third arbitrator by the first two chosen. The parties shall use their best efforts to assure that the selection of the arbitrators shall be completed within thirty (30) days and the parties shall use their best efforts to complete the arbitration as quickly as possible. In such proceeding, the arbitration panel shall determine who is a substantially prevailing party and shall award to such party its reasonable attorneys', accounts' and other professionals' fees and its costs incurred in connection with the proceeding. The award of the arbitration panel shall be final, binding upon the parties and nonappealable and may be entered in and enforced by any court of competent jurisdiction. Such court may add to the award of the arbitration panel additional reasonable attorneys' fees and costs incurred by the substantially prevailing party in attempting to enforce the award.

12. Enforceability. The failure of either party at any time to require performance by the other party of any provision hereunder in no way shall affect the right of that party thereafter to enforce the same, nor shall it affect any other party's right to enforce the same, or to enforce any of the other provisions of this Agreement; nor shall the waiver by either party of the breach of any provision hereof be taken or held to be a waiver of any subsequent breach of such provision or as a waiver of the provision itself.

13. Assignment. This Agreement is a personal contract and the Executive's rights and obligations hereunder may not be sold, transferred, assigned, pledged or hypothecated by the Executive.

14. Modification. This Agreement cannot be cancelled. changed, modified, or amended orally, and no cancellation, change, modification or amendment shall be effective or binding, unless it is in writing, signed by both parties to this Agreement.

15. Severability: Survival. If any provision of this Agreement is held to be void and unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement nevertheless shall be binding upon the parties with same effect as though the void or unenforceable part has been severed and deleted.

16. Notice. Notices given pursuant to the provisions of this Agreement shall be sent by certified mail, postage prepaid, or by overnight courier, or by telex, telecopier or telegraph, charges prepaid, to the following address:

To the Company

Corniche Group Incorporated
610 S. Industrial Blvd.,
Suite 220
Euless, Texas 76040
Fax: (817) 283 4365

with a copy to:

Haynes and Boone, LLP
901 Main St., Suite 3100
Dallas, Texas 75202

To the Executive

Mr. David H. Boltz, residing at 3819 Temple Hall Hwy. Granbury Texas 76049.

17. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

18. No Conflict. The Executive represents and warrants that he is not subject to any agreement, instrument, judgement order or decree of any kind, or any other restrictive agreement of any character, which would prevent him from entering into this Agreement or which would be breached by the Executive upon his performance of his duties pursuant to this Agreement.

19. Entire Agreement. This Agreement represents the entire agreement between the Company and the Executive with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have set their hands and seals on and as of the day and year first written above.

CORNICHE GROUP INCORPORATED

/s/ ROBERT F. BENOIT

Robert F. Benoit
Chief Executive Officer

EXECUTIVE

/s/ DAVID H. BOLTZ

David H. Boltz
Vice President CIO

EXHIBIT A

CORNICHE GROUP INCORPORATED

NON-QUALIFIED STOCK OPTION AGREEMENT

AGREEMENT made as of June 26th, 2000, by and between Corniche Group Incorporated, a Delaware corporation with its principal place of business at 610 S. Industrial Blvd., Suite 220, Euless, Texas 76040 (the "Company"), and the undersigned (the "Optionee").

WITNESSETH:

WHEREAS, the Company considers it desirable and in its best interests that the Optionee be encouraged to acquire an ownership interest in the Company, and thereby have an added incentive to advance the interests of the Company, by the grant of an option to purchase shares of the Company's common stock, par value $.001 per share (the "Common Stock"), on the terms and conditions hereinafter set forth; and

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the Company and the Optionee hereby agree as follows:

1. GRANT OF OPTION.

The Company hereby grants to the Optionee, the right, privilege and option (the "Option") to purchase 100,000 shares of the Company's Common Stock (the "Shares") at the exercise prices $1.94 and on the vesting terms ("Vesting Terms") set forth in Appendix A. Such number of Shares issuable upon exercise of the Option shall be subject to adjustment as provided in Section 7 below.

2. TIME OF EXERCISE OF OPTION.

Subject to the provisions of Section 4 below, the Option shall vest as provided in Appendix A, provided, however, that upon a Change in Control of the Company (as defined in the Employment Agreement between the Company and the Optionee dated June 26th, 2000), the Option shall be immediately exercisable. To the extent the Option is not exercised by the Optionee when it becomes exercisable, it shall continue in full force and effect until the Expiration Date (as hereinafter defined).

3. METHOD OF EXERCISE.

The Option shall be exercised by written notice in the form of Appendix B hereto directed to the Company at the Company's address set forth above, duly executed by the Optionee, specifying the number of shares being purchased and accompanied by either (i) cash or check payable to the order of the Company in full payment of the Purchase Price for the number of Shares being purchased, or (ii) certificate(s), duly endorsed for transfer to the

Company with signature guaranteed, for that number of previously acquired Shares having an aggregate fair market value as determined in accordance with the Plan ("Fair Market Value"), on the date of exercise equal to the full Purchase Price for the number of Shares being purchased, or (iii) a combination of (i) and (ii).

The Option shall not be exercisable at any time in an amount less than 100 Shares (or the remaining fraction of a Share then covered by and purchasable under the Option if less than 100 Shares).

4. TERM OF OPTIONS; EXERCISABILITY.

(i) This Option shall expire 5 years from the date hereof of this Agreement (the "Expiration Date"), subject to earlier termination as herein provided.

(ii) Except as otherwise provided in this Section 4, if the Optionee's employment by the Company is terminated for any reason, the Option shall terminate on the earlier of (i) three months after the date the Optionee's employment is terminated, or (ii) the date on which the Option expires by its terms.

(iii) If the Optionee's employment by, of, or to, the Company is terminated by the Company for cause (as such term is defined in his employment agreement), the Option will to the extent not terminated be deemed to have terminated on the date immediately preceding the date the Optionee's employment by, or retention as an agent, director of, or consultant to, the Company is terminated by the Company and its subsidiaries.

(iv) If the Optionee's employment by the Company is terminated because of disability or death, the Option shall terminate on the earlier of (i) one year after termination, or (ii) the date on which the Option expires by its terms.

5. NON-TRANSFERABILITY.

The right of the Optionee to exercise the Option shall not be assignable or transferable by the Optionee otherwise than by will or the laws of descent and distribution, and the Option may be exercised during the lifetime of the Optionee only by the Optionee. The Option shall be null and void and without effect upon the bankruptcy of the Optionee or upon any attempted assignment or transfer, except as hereinabove provided, including without limitation, any purported assignment, whether voluntary or by operation of law, pledge, hypothecation or other disposition contrary to the provisions hereof, or levy of execution, attachment, trustee process or similar process, whether legal or equitable, upon the Option.

6. REPRESENTATION LETTER AND INVESTMENT LEGEND.

(a) Notwithstanding the provisions of Sections 3 and 4 hereof, the Option cannot be exercised, and the Company may delay the issuance of the Shares covered by the exercise of the Option and the delivery of a certificate for the Shares, until one of the following conditions shall be satisfied:

(i) The Shares with respect to which the Option has been exercised are at the time of the issuance of the Shares effectively registered or qualified under applicable federal and state securities acts now in force or as hereafter amended; or

(ii) Counsel for the Company shall have given an opinion, which opinion shall not be unreasonably conditioned or withheld, that the issuance of the Shares is exempt from registration and qualification under applicable federal and state securities acts now in force or as hereafter amended.

(b) In the event that for any reason the Shares to be issued upon exercise of the Option shall not be effectively registered under the Securities Act of 1933, as amended (the "1933 Act"), upon any date on which the Option is exercised in whole or in part, the Optionee shall give a written representation to the Company in the form attached hereto as Exhibit A and the Company shall place an "investment legend," so-called, as described in Exhibit A, upon any certificate for the Shares issued by reason of such exercise. In the event that the Company shall, nevertheless, deem it necessary or desirable to register under the 1933 Act or other applicable statutes the Shares with respect to which the Option shall have been exercised, or to qualify the Shares for exemption from the 1933 Act or other applicable statutes, then the Company may take such action and may require from the Optionee such information in writing for use in any registration statement, supplementary registration statement, prospectus, preliminary prospectus, offering circular or any other document that is reasonably necessary for such purpose and may require reasonable indemnity to the Company and its officers and directors from the Optionee against all losses, claims, damages and liabilities arising from such use of the information so furnished and caused by any untrue statement of any material fact therein or caused by the omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made.

(c) The Company shall be under no obligation to qualify the Shares or to cause a registration statement or a post-effective amendment to any registration statement to be prepared for the purposes of covering the issue of the Shares or to cause the issuance of the Shares to be exempt from registration and qualification under applicable federal and state securities acts now in force or as hereinafter amended, except as otherwise agreed to by the Company in writing in its sole discretion and, accordingly, the Company may delay the issuance of the Shares covered by the exercise of the Option and the delivery of a certificate for the Shares until the Company shall have determined that all conditions to the issuance of the Shares shall have been satisfied.

7. ADJUSTMENT IN AND CHANGES IN COMMON STOCK.

Subject to the Plan, if the outstanding shares of the Common Stock are changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of any reorganization, recapitalization, reclassification, stock split, combination of shares, or dividends payable in capital stock, appropriate and equitable adjustment shall be made by the Board of Directors of the Company, in its sole discretion, in the number and kind of shares as to which the Option or portion thereof then unexercised shall be exercisable. Such adjustment in

the Option shall be made without change in the total price applicable to the unexercised portion of such the Option and with a corresponding adjustment in the Option price per share.

8. EFFECT ON OTHER RIGHTS.

This Agreement shall in no way affect the Optionee's participation in or benefits under any other plan or benefit program maintained or provided by the Company. Nothing in this Agreement shall be construed to give the Optionee any right to any additional options other than in the sole discretion of the Board of Directors of the Company or to confer on the Optionee any right to continue in the employ of the Company or any subsidiary thereof or to continue to be retained as an agent, director of, or consultant to, the Company, or to be evidence of any agreement or understanding, express or implied, that the Company will employ or continue to retain the Optionee in any particular position or at any particular rate of remuneration, or for any particular period of time or to interfere in any way with the right of the Company or a subsidiary thereof (or the right of the Optionee) to terminate the employment or retention of the Optionee at any time, with or without cause, notwithstanding the possibility that the Option may thereby be terminated entirely.

9. RIGHTS AS A STOCKHOLDER.

The Optionee shall have no rights as a stockholder with respect to any Shares which may be purchased by exercise of the Option until (x) the Option shall have been exercised with respect thereto (including payment to the Company of the Purchase Price), and (y) the earlier to occur of (i) delivery by the Company to the optionee of a certificate therefor or (ii) the date on which the Company is required to deliver a certificate pursuant to the Plan and this Agreement. Except as otherwise expressly provided in the Plan, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such certificate is issued or required to be issued in accordance with the Plan.

10. GOVERNING LAW.

THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS TO BE MADE AND PERFORMED ENTIRELY THEREIN WITHOUT REFERENCE TO CONFLICT OF LAWS PRINCIPLES.

11. WITHHOLDING TAXES.

Whenever Shares are to be issued upon exercise of the Option, the Company shall have the right to require the Optionee to remit to the Company an amount sufficient to satisfy all federal, state and local withholding tax requirements, if any, prior to the delivery of any certificate or certificates for such Shares. The Company may agree to permit the Optionee to withhold Shares purchased upon exercise of this Option to satisfy the above-mentioned withholding requirement.

12. HEADINGS.

The headings contained in this Agreement are for convenience of reference only and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

13. BINDING EFFECT.

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

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed, and the Optionee has hereunto set his or her hand and seal, all as of the day and year first above written.

CORNICHE GROUP INCORPORATED.

By: /s/ /s/ ROBERT F. BENOIT

Title: Chief Executive Officer

/s/ DAVID H. BOLTZ

OPTIONEE

APPENDIX A

TO STOCK OPTION AGREEMENT

OPTIONS GRANTED AND VESTING PERIOD:

Set forth below are the options granted to the Optionee and the vesting schedule with respect thereto.

Number of Shares	Option Price	Vesting Date
50,000	$1.94	6/26/01
25,000	$1.94	6/26/02
25,000	$1.94	6/26/03

EXHIBIT B
TO STOCK OPTION AGREEMENT

Date:_____

Corniche Group Incorporated
610 S. Industrial
Suite 220
Euless, Texas 76040

Ladies and Gentlemen:

I hereby elect to purchase _____ shares of the Common Stock, par value $.00001 per share, of Corniche Group Incorporated (the "Company") under the option granted to me pursuant to the Stock Option Agreement, dated June 26th, 2000.

Enclosed is [cash] [a check] in the amount of $_____.___ [_____ shares of the Company's Common Stock] in full payment of the shares being purchased ($_____ per share).

Please deliver certificates representing the shares being purchased to me at:

I hereby acknowledge that I have been informed as follows:

1. The shares of common stock of the Company to be issued to me pursuant to the exercise of said option have not been registered under the Securities Act of 1933, as amended (the "1933 Act"), and accordingly, must be held indefinitely unless such shares are subsequently registered under the 1933 Act, or an exemption from such registration is available.

2. Routine sales of securities made in reliance upon Rule 144, if applicable, under the 1933 Act can be made only after the holding period and in limited amounts in accordance with the terms and conditions provided by that Rule, and in any sale to which that Rule is not applicable, registration or compliance with some other exemption under the 1933 Act will be required.

3. The Company is under no obligation to me to register the shares or to comply with any such exemptions under the 1933 Act.

4. The availability of Rule 144, if applicable, is dependent upon adequate current public information with respect to the Company being available and, at the time that I may desire to make a sale pursuant to the Rule, the Company may neither wish nor be able to comply with such requirement.

In consideration of the issuance of certificates for the shares to me, I hereby represent and warrant that I am acquiring such shares for my own account for investment, and that I will not sell, pledge, transfer or otherwise dispose of such shares in the absence of an effective registration statement covering the same, except as permitted by the provisions of Rule 144, if applicable, or some other applicable exemption under the 1933 Act. In view of this representation and warranty, I agree that there may be affixed to the certificates for the shares to be issued to me, and to all certificates issued hereafter representing such shares (until in the opinion of counsel, which opinion must be reasonably satisfactory in form and substance to counsel for the Company, it is no longer necessary or required) a legend as follows:

> "The shares of common stock represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), and were acquired by the registered holder, pursuant to a representation and warranty that such holder was acquiring such shares for his or her own account and for investment, with no intention to transfer or dispose of the same, in violation of the registration requirements of the Act. These shares may not be sold, pledged, transferred or otherwise disposed of in the absence of an effective registration statement under the Act, or an opinion of counsel, which opinion is reasonably satisfactory to counsel to the Company, to the effect that registration is not required under the Act."

I further agree that the Company may place a stop order with its Transfer Agent, prohibiting the transfer of such shares, so long as the legend remains on the certificates representing the shares.

Very truly yours,

Optionee:

EXHIBIT 23(a)

[WEINICK SANDERS LEVENTHAL & CO., LLP LETTERHEAD]

CONSENT OF WEINICK SANDERS LEVENTHAL & CO., LLP
(INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS)

We consent to the use in the Registration Statement of Corniche Group Incorporated on Form S-1 under the Securities Act of 1933 of our report dated January 28, 2000 (Except as to a portion of Note 8 (b) to which the date is February 15, 2000) and to the reference to our firm under the heading "Experts" in the Prospectus.

/S/ WEINICK SANDERS LEVENTHAL & CO., LLP

New York, New York
October 2, 2000

EXHIBIT 23(b)

[SIMONTACCHI & COMPANY, LLP LETTERHEAD]

CONSENT OF SIMONTACCHI & COMPANY, LLP
(INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS)

We consent to the use in the Registration Statement of Corniche Group Incorporated on Form S-1 under the Securities Act of 1933 of our report dated July 10, 1998 and to the reference to our firm under the heading "Experts" in the Prospectus.

/s/ SIMONTACCHI & COMPANY, LLP

Rockaway, New Jersey
October 6, 2000

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF CORNICHE GROUP INCORPORATED AND SUBSIDIARY AS AT AND FOR THE SIX MONTHS ENDED JUNE 30, 2000 IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

6-MOS
DEC-31-2000
JAN-01-2000
JUN-30-2000
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(0.04)