FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1997

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to ________

Commission file number 1-11993

MIM CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	05-0489664
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

One Blue Hill Plaza, Pearl River, New York 10965
(Address of principal executive offices)

(914) 735-3555
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

APPLICABLE ONLY TO CORPORATE ISSUERS:

On, August 12, 1997 there were outstanding 12,912,811 shares of the Company's $.0001 par value per share common stock ("Common Stock").

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

MIM CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except for share amounts)

	June 30, 1997 (Unaudited)	December 31, 1996
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,641	$ 1,834
Investment securities	16,686	28,113
Receivables, less allowance for doubtful accounts of $1,658 and $1,088 at June 30, 1997 and December 31, 1996, respectively	20,360	18,646
Prepaid expenses and other current assets	1,154	1,129
Total current assets	40,841	49,722
Investment securities, net of current portion	13,023	8,925
Property and equipment, net	2,620	2,423
Due from affiliates, less allowance for doubtful accounts of $2,157 at June 30, 1997 and December 31, 1996	281	628
Other assets, net	281	102
Total assets	$ 57,046	$ 61,800
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current portion of capital lease obligations	$ 199	$213
Accounts payable	613	1,562
Claims payable	10,336	17,278
Payables to plan sponsors and others	12,448	10,174
Accrued expenses	711	926
Total current liabilities	24,307	30,153
Capital lease obligations, net of current portion	282	375
Commitments and contingencies		
Minority interest	1,145	1,129
Stockholders' equity		
Preferred Stock, $.0001 par value; 5,000,000 shares authorized, no shares issued or outstanding	-	-
Common Stock, $.0001 par value; 40,000,000 shares authorized, 12,323,800 and 12,040,600 shares issued and outstanding at June 30, 1997 and December 31, 1996, respectively	1	1
Additional paid-in capital	73,564	73,443
Accumulated deficit	(40,469)	(41,564)
Stockholder notes receivable	(1,784)	(1,737)
Total stockholders' equity	31,312	30,143
Total liabilities and stockholders' equity	$ 57,046	$ 61,800

The accompanying notes are an integral part of these consolidated financial statements.

MIM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except for per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	1997	1996	1997	1996
	(Unaudited)		(Unaudited)	
Revenue	$45,833	$ 68,731	$116,644	$135,320
Cost of revenue	41,972	65,428	108,801	130,218
Gross profit	3,861	3,303	7,843	5,102
General and administrative expenses	3,994	2,392	7,903	4,627
Executive stock option compensation expense	-	26,640	-	26,640
Income (loss) from operations	(133)	(25,729)	(60)	(26,165)
Interest income, net	548	138	1,171	275
Income (loss) before minority interest	415	(25,591)	1,111	(25,890)
Minority interest	3	(15)	5	(6)
Net income (loss)	$ 418	$(25,606)	$ 1,116	$(25,896)
Net income (loss) per common and common equivalent share	$ 0.03	$ (3.19)	$ 0.07	$ (3.23)
Weighted average shares outstanding	15,163	8,024	15,163	8,024

The accompanying notes are an integral part of these consolidated financial statements.

MIM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Six Months Ended June 30, 1997	Six Months Ended June 30, 1996
	(Unaudited)	
Cash flows from operating activities:		
Net income (loss)	$ 1,116	$ (25,896)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Net income (loss) allocated to minority interest	(5)	6
Depreciation and amortization	513	328
Stock option charges	121	26,640
Provision for losses on receivables and due from affiliates	570	656
Changes in assets and liabilities:		
Receivables	(2,284)	(151)
Prepaid expenses and other assets	(25)	(135)
Accounts payable	(949)	66
Claims payable	(6,942)	(3,466)
Payables to plan sponsors and others	2,274	4,264
Accrued expenses	(215)	779
Net cash provided by (used in) operating activities	(5,826)	3,091
Cash flows from investing activities:		
Purchase of property and equipment	(710)	(164)
Purchase of investment securites	(17,933)	-
Proceeds from maturities of investment securities	25,262	-
Increase in other assets	(179)	(359)
Stockholder loans, net	(47)	12
Loans to affiliates, net	347	(1,266)
Net cash provided by (used in) investing activities	6,740	(1,777)
Cash flows from financing activities:		
Principal payments on capital lease obligations	(107)	(154)
Net cash used in financing activities	(107)	(154)
Net increase in cash and cash equivalents	807	1,160
Cash and cash equivalents--beginning of period	1,834	1,804
Cash and cash equivalents--end of period	$ 2,641	$ 2,964
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Income taxes	$ -	$ -
Interest	$ 22	$ 21
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS:		
Equipment acquired under capital lease obligations	$ -	$ 527
Distribution to stockholder through the cancellation of stockholder notes receivable	$ -	$ 622

The accompanying notes are an integral part of these consolidated financial statements.

MIM CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(in thousands, except for share and per share amounts)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited consolidated interim financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information, pursuant to the rules and regulations of the Securities and Exchange Commission. Pursuant to such rules and regulations, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. In the opinion of management, all adjustments considered necessary for a fair presentation of the financial statements, primarily consisting of normal recurring adjustments, have been included. The results of operations and cash flows for the six months ended June 30, 1997 are not necessarily indicative of the results of operations or cash flows which may be reported for the remainder of 1997.

These consolidated financial statements should be read in conjunction with the consolidated financial statements, notes and information included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996 (the "Form 10-K").

The accounting policies followed for interim financial reporting are the same as those disclosed in Note 2 to the consolidated financial statements included in the Form 10-K.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, Earnings Per Share (SFAS 128). This Statement establishes standards for computing and presenting earnings per share and applies to entities with publicly traded common stock or potential common stock. SFAS 128 is effective for financial statements for both interim and annual periods ending after December 15, 1997 and early adoption is not permitted. When adopted, the statement will require restatement of prior years' earnings per share. The Company will adopt this statement for its fiscal year ending December 31, 1997. The following table displays earnings per share assuming that SFAS 128 had been implemented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	1997	1996	1997	1996
Basic Earnings Per Share	$0.03	$(3.19)	$0.09	$(3.23)
Diluted Earnings Per Share	$0.03	$(3.19)	$0.07	$(3.23)

NOTE 3 - INVESTMENTS

On June 23, 1997, the Company, along with other strategic partners, made an investment in Wang Healthcare Information Systems, Inc. ("WHIS"), a company engaged in the development, marketing and servicing of PC-based clinical information systems for physicians and their staff, using patented image-based technology. The Company purchased 1,150,000 shares of the Series B Convertible Preferred Stock, par value $0.01 per share, of WHIS (the "WHIS Shares") for an aggregate purchase price equal to $2,300. The preferred stock is not registered on a securities exchange and, therefore, the fair value of these securities is not readily determinable. Accordingly, the shares are stated at cost on the accompanying balance sheets.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements, the related Notes to the Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Form 10-K and the Consolidated Financial Statements and the related Notes to the Consolidated Financial Statements included in Item 1 of this Report.

This Report contains statements which constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The matters discussed in this Report include statements regarding the intent, belief or current expectations of the Company, its directors or its officers with respect to the future operating performance of the Company and the results and the effect of legal proceedings. Investors are cautioned that any such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward looking statements as a result of various factors. This Report and the Form 10-K contain information regarding important factors that could cause such differences.

Overview

A majority of the Company's revenues to date have been derived from operations in the State of Tennessee in conjunction with RxCare of Tennessee, Inc. ("RxCare"), a pharmacy services administrative organization owned by the Tennessee Pharmacists Association. The Company assisted RxCare in defining and marketing pharmacy benefit services to private health plan sponsors on a consulting basis in 1993, but did not commence substantial operations until January 1994 when RxCare began servicing several of the health plan sponsors involved in the newly instituted TennCare(R) state health program. At June 30, 1997, the Company provided pharmacy benefit management services to 35 health plan sponsors with an aggregate of approximately 1.3 million plan members, primarily in Tennessee.

Results of Operations

Three months ended June 30, 1997 compared to three months ended June 30, 1996

For the three months ended June 30, 1997, the Company recorded revenue of $45.8 million compared with revenue of $68.7 million for the three months ended June 30, 1996, a decrease of $22.9 million. The restructuring, in April 1997, of a major TennCare contract from a capitated risk-based to a non-risk bearing fee arrangement resulted in a revenue decrease of approximately $35.5 million over the same three month period a year ago, although the Company continued to provide essentially the same services as before the restructuring. This decrease was partially offset by $6.0 million in incremental revenue from servicing fourteen new plan sponsors covering over 181,000 plan members, primarily in the Northeast, South Central, Pacific and North Central regions of the United States. Revenue increases also resulted from other contract restructurings as well as the shifting of TennCare members among several plans. During the three months ended June 30, 1997, approximately 50% of the Company's revenue was generated through capitated contracts, compared with 92% during the three months ended June 30, 1996.

Cost of revenue for the three months ended June 30, 1997 decreased to $42.0 million compared with $65.4 million for the three months ended June 30, 1996, a decrease of $23.4 million. The above-mentioned restructuring of a major TennCare contract resulted in a decrease in cost of revenue of approximately $34.8 million. This decrease was partially offset by $5.9 million increase in claims costs from new health plan business. Other cost increases resulted from slight increases in TennCare eligibility as well as increasing drug prices. As a percentage of revenue, cost of revenue decreased to 91.6% for the three months ended June 30, 1997 from 95.2% for the three months ended June 30, 1996. For the three months ended June 30, 1997, gross profits increased to $3.9 million, and as a % of revenue increased 75% as compared to the same three-month period one year ago.

General and administrative expenses were $4.0 million for the three months ended June 30, 1997 and $2.4 million for the three months ended June 30, 1996, an increase of 67%. The $1.6 million increase was attributable to expenses associated with an expanded national sales effort, additional operational support for servicing new business as well as increases in legal fees and consulting costs. As a percentage of revenue, general and administrative expenses increased to 8.7% for the three months ended June 30, 1997 from 3.5% for the three months ended June 30, 1996.

For the three months ended June 30, 1997, the Company recorded net income of $0.4 million, or $.03 per share. This compares with a net loss of $25.6 million, or $3.19 per share (after recording a $26.6 million non-recurring, non-cash stock option charge in August of 1996, the effect of which was $3.28 per share) for the three months ended June 30, 1996. This improvement was a result of the above-described changes in revenue, expenses and stock option charge.

Six months ended June 30, 1997 compared to six months ended June 30, 1996

For the six months ended June 30, 1997, the Company recorded revenue of $116.6 million compared with revenue of $135.3 million for the six months ended June 30, 1996, a decrease of $18.7 million. The restructuring, in April 1997, of a major TennCare contract from a capitated risk-based to a non-risk bearing fee arrangement resulted in a revenue decrease of approximately $49.8 million over the same period a year ago, although the Company continued to provide essentially the same services as before the restructuring. This decrease was partially offset by $10.6 million in incremental revenue from servicing fourteen new plan sponsors covering over 181,000 plan members, primarily in the Northeast, South Central, Pacific and North Central regions of the United States. Revenue increases also resulted from other contract restructurings as well as the shifting of TennCare members among several plans. During the first six months of 1997, approximately 61% of the Company's revenue was generated through capitated contracts, compared with 92% during the first six months of 1996.

Cost of revenue for the six months ended June 30, 1997 decreased to $108.8 million compared with $130.2 million for the six months ended June 30, 1996, a decrease of $21.4 million. The above-mentioned restructuring of a major TennCare contract resulted in a decrease in cost of revenue of approximately $48.7 million. This decrease was partially offset by $10.3 million in claims costs from new health plans business. Other cost increases resulted from increases in TennCare eligibility, increasing drug prices and increased utilization of behavioral health prescriptions. As a percentage of revenue, cost of revenue decreased to 93.3% for the six months ended June 30, 1997 from 96.2% for the six months ended June 30, 1996. For the six months ended June 30, 1997, gross profit increased to 7.8 million, and as a % of revenue increased 78% as compared to the same six-month period one year ago.

General and administrative expenses were $7.9 million for the six months ended June 30, 1997 and $4.6 million for the six months ended June 30, 1996, an increase of 72%. The $3.3 million increase was attributable to personnel expenses in staffing corporate headquarters, expenses associated with an expanded national sales effort, additional operational support for servicing new business as well as increases in legal fees and consulting costs. As a percentage of revenue, general and administrative expenses increased to 6.8% for the six months ended June 30, 1997 from 3.4% for the six months ended June 30, 1996.

For the six months ended June 30, 1997, the Company recorded net income of $1.1 million, or $.07 per share. This compares with a net loss of $25.9 million, or $3.23 per share (after recording a $26.6 million non-recurring, non-cash stock option charge in August of 1996, the effect of which was $3.30 per share) for the six months ended June 30, 1996. This improvement was a result of the above-described changes in revenue, expenses and stock option charge.

Liquidity and Capital Resources

For the six months ended June 30, 1997, net cash used in operating activities totaled $5.8 million, primarily due to decreases in claims payable of approximately $6.9 million attributable to the restructuring of a major TennCare contract and increases in receivables of approximately $2.3 million due to the addition of new plans. Such uses were offset by the generation of $1.1 million in net income along with increases in payables to plan sponsors of approximately $2.3 million. Investment activities provided $6.7 million in cash due primarily to the proceeds from maturities of investment securities of approximately $25.3 million offset by the purchase of new investment securities of approximately $17.9 million.

At June 30, 1997, the Company had working capital of $16.5 million, compared to $19.6 million at December 31, 1996. Cash and cash equivalents increased to $2.6 million at June 30, 1997 compared with $1.8 million at December 31, 1996. The Company had investment securities held to maturity of $29.7 million and $37.0 million at June 30, 1997 and December 31, 1996, respectively. The investments are primarily corporate debt securities rated A or better. In June of 1996, the Company invested $2.3 million in the preferred stock of Wang Healthcare Information Systems.

At June 30, 1997, the Company had, for tax purposes, unused net operating loss carryforwards of approximately $6.1 million that may be available to offset future taxable income, if any, and which will begin expiring in 2008. Use of these carryforwards may be limited by the Tax Reform Act of 1986.

The Company believes that its improved financial condition and capital structure, since its initial public offering which raised approximately $47 million in August 1996, has enhanced the Company's ability to negotiate and obtain additional contracts with plan sponsors and other potential customers. The Company believes that it has sufficient cash on hand or available to fund the Company's anticipated working capital and other cash needs for the foreseeable future. The Company intends to offset, against profit sharing amounts, if any, due RxCare in the future under the Company's contract with RxCare, approximately $6.2 million representing RxCare's share of the Company's cumulative losses and amounts previously advanced or paid to RxCare.

As part of its continued efforts to expand its pharmacy management business, the Company expects to incur additional sales and marketing expenses. The Company also may pursue joint venture arrangements, business acquisitions and other transactions designed to expand its pharmacy management business, which the Company would expect to fund from cash on hand or future indebtedness or, if appropriate, the sale or exchange (in the case of a merger) of equity securities of the Company.

Other Matters

The Company's pharmaceutical reimbursement claims historically have been subject to a significant increase over annual averages from October through February, which the Company believes is due to increased medical problems during the colder months. Changes in prices charged by manufacturers and wholesalers for pharmaceuticals affect the Company's cost of revenue.

The TennCare program has been controversial since its inception and has generated government investigations and adverse publicity. There can be no assurances that the Company's association with the TennCare program will not adversely affect the Company's business in the future.

PART II
OTHER INFORMATION

Item 2. Changes in Securities

During the three months ended March 31, and June 30, 1997, the Company issued and sold a total of 42,700 shares and 240,500 shares, respectively, of its Common Stock, $0.0001 par value per share, to 10 and 23 current and former employees, respectively, for cash consideration totaling $286 and $106,247, respectively, upon the exercise of options granted to them under the Company's 1996 Stock Incentive Plan, as amended (the "Plan") prior to the Company becoming subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended. These sales were exempt from and made without registration under the Securities Act of 1933, and the rules and regulations promulgated thereunder, all as amended (the "Securities Act"), in reliance upon the provisions of Rule 701 promulgated under the Securities Act (the "Rule") in that such sales met the conditions set forth in paragraph (b) of the Rule, to wit: (i) the sales were made pursuant to the exercise of options granted under a written compensatory benefit plan established by the Company for the participation of its employees, directors and officer, as well as consultants and advisors rendering bona fide services not in connection with the offer and sale of securities in a capital-raising transaction, (ii) each Plan participant has been provided with a copy of the Plan and one or more written stock option agreements, and (iii) the aggregate offering price of Company securities subject to outstanding offers to sell stock pursuant to such options in reliance upon the Rule, plus Company securities sold during the preceding 12 months in reliance on the Rule, does not exceed the lesser of $5,000,000 or 15 percent of the total assets of the Company as at December 31, 1996.

Item 5. Other Information

By amendments dated as of June 15, 1997 the Company agreed to extend (by three years to June 15, 2000) the maturity date, and to increase (from 5.42% to 7.125% per annum) the interest rate accruing and payable monthly, respecting $954,785 principal amount of debt owed to the Company by E. David Corvese, the Company's Vice Chairman, and his wife. Evidenced by two promissory notes in the original aggregate principal amount of $978,750, substantially all of such debt is secured by a first mortgage on the Corvese's primary residence.

On June 20, 1997, Mr. Todd Palmieri resigned from the Company as a director and its Executive Vice President - Business and Development. Mr. Palmieri advised the Company that he was resigning to pursue other business opportunities and for personal reasons. The Company does not believe that Mr. Palmieri resigned because of any disagreement with the Company on any matter relating to the Company's operations, policies or practices.

On June 23, 1997, the Company, along with other strategic partners, made an investment in Wang Healthcare Information Systems, Inc. ("WHIS"), a company engaged in the development, marketing and servicing of PC-based clinical information systems for physicians and their staff, using patented image-based technology. The Company purchased 1,150,000 shares of the Series B Convertible Preferred Stock, par value $0.01 per share, of WHIS (the "WHIS Shares") for an aggregate purchase price equal to $2,300,000.

In addition, the Company will distribute WHIS's products, including the Physicians' Workstation, the product which embodies the clinical information system technology described above, under a distribution agreement. Management believes that this investment and distribution arrangement will provide greater exposure for the Company's designed pharmaceutical formulary, since this formulary will be included in the Physician Workstation. Management believes that the inclusion of the Company's formulary in the Physician Workstation will provide the Company with access to a broader base of clinical data, allowing the Company to develop more sophisticated clinical drug protocols at lower costs than previously incurred.

The WHIS Shares were purchased in a private placement transaction exempt from the registration requirements of the Securities Act. As such, the WHIS Shares, as well as the common stock issuable upon conversion thereof, have not been, and will not be registered under the Securities Act. Accordingly, no public market currently exists for such securities. Moreover, while the Company was granted registration rights in certain instances, there can be no assurance that a public market for these securities will ever exist for the WHIS Shares or the common stock of WHIS issuable upon conversion thereof. Therefore, there can be no assurances that the Company will be able to sell or otherwise liquidate its investment in WHIS in the future.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit Number	Description
10.1	Amendment to Promissory Note among E. David Corvese, Nancy P. Corvese and Pro-Mark Holdings, Inc. dated as of June 15, 1997.
10.2	Amendment to Promissory Note among E. David Corvese, Nancy P. Corvese and Pro-Mark Holdings, Inc. dated as of June 15, 1997.
10.3	Amendment to Mortgage among E. David Corvese, Nancy P. Corvese and Pro-Mark Holdings, Inc. dated as of June 15, 1997.
27	Financial Data Schedule

(b) Reports on Form 8-K

The registrant did not file any Reports on Form 8-K during the quarter for which this Report is filed.

SIGNATURES

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

MIM Corporation

/s/ Richard H. Friedman

Date: August 13, 1997

Richard H. Friedman
Chief Operating Officer, Chief Financial Officer,
Treasurer and Director
(Principal Financial Officer)

EXHIBIT 10.1

AMENDMENT TO PROMISSORY NOTE

RECITALS

1. On June 15, 1994, E. David Corvese and Nancy P. Corvese, husband and wife, of 839-C Ministerial Road, South Kingstown, Rhode Island 02879, (collectively the "Borrower") executed and delivered to Pro-Mark Holdings, Inc., a Delaware corporation having a business address at 33 North Road, Peacedale, Rhode Island 02879 (the "Lender") a promissory in the principal amount of $975,000.00 (the "Note");

2. The original term of the Note was three years, maturing on June 15, 1997, bearing an interest rate of 5.42% and providing for a monthly payment of $4,403.75; and

3. The Borrower and the Lender desire to amend the Note by extending the maturity date another three years until June 15, 2000, increasing the interest rate to 7.125%, and requiring a monthly payment of interest only in the amount of $5647.32.

AMENDMENT

Now therefor in consideration of the increase in the interest rate the Borrower and the Lender agree to amend the Note as follows:

1. The second sentence of Paragraph 2 entitled "Interest" is amended to read: "I will pay interest at a yearly rate of 7.125%."

2. The first sentence of subpart (A) of Paragraph 3 entitled "Time and Place of Payments" is amended to read: "I will pay interest only by making monthly payments on the 15th day of each month beginning on July 15, 1994 and continuing until June 15, 2000 (which is called the "maturity date"), when I will pay the full amount of unpaid principal and interest and any other charges described below that I may owe under this Note.

3. Subpart (B) of Paragraph 3 entitled "Amount of Monthly Payments" is amended to read: "My monthly payment will be in the amount of $5647.32."

In witness whereof the Borrower and the Lender have signed and delivered this Amendment as of the 15th day of June, 1997.

/s/ E. David Corvese

E. David Corvese

Pro-Mark Holdings, Inc.

By /s/ Steven Dias

/s/ Nancy P. Corvese

Nancy P. Corvese

EXHIBIT 10.2

AMENDMENT TO PROMISSORY NOTE

RECITALS

1. On June 15, 1994, E. David Corvese and Nancy P. Corvese, husband and wife, of 839-C Ministerial Road, South Kingstown, Rhode Island 02879, (collectively the "Borrower") executed and delivered to Pro-Mark Holdings, Inc., a Delaware corporation having a business address at 33 North Road, Peacedale, Rhode Island 02879 (the "Lender") a promissory in the principal amount of $3,750.00 (the "Note");

2. The original term of the Note was three years, maturing on June 15, 1997, bearing an interest rate of 5.42% and providing for a monthly payment of $16.93; and

3. The Borrower and the Lender desire to amend the Note by extending the maturity date another three years until June 15, 2000, increasing the interest rate to 7.125%, and requiring a monthly payment of interest only in the amount of $21.72.

AMENDMENT

Now therefor in consideration of the increase in the interest rate the Borrower and the Lender agree to amend the Note as follows:

1. The second sentence of Paragraph 2 entitled "Interest" is amended to read: "I will pay interest at a yearly rate of 7.125%."

2. The first sentence of subpart (A) of Paragraph 3 entitled "Time and Place of Payments" is amended to read: "I will pay interest only by making monthly payments on the 15th day of each month beginning on July 15, 1994 and continuing until June 15, 2000 (which is called the "maturity date"), when I will pay the full amount of unpaid principal and interest and any other charges described below that I may owe under this Note."

3. Subpart (B) of Paragraph 3 entitled "Amount of Monthly Payments" is amended to read: "My monthly payment will be in the amount of $21.72."

In witness whereof the Borrower and the Lender have signed and delivered this Amendment as of the 15th day of June, 1997.

Pro-Mark Holdings, Inc.	/s/ E. David Corvese
	E. David Corvese
By /s/ Steven Dias	
Name:	/s/ Nancy P. Corvese
	Nancy P. Corvese

EXHIBIT 10.3

AMENDMENT TO MORTGAGE

RECITALS

1. E. David Corvese and Nancy P. Corvese, husband and wife, of 839-C Ministerial Road, South Kingstown, Rhode Island 02879, (the "Borrower") granted to Pro-Mark Holdings, Inc., a Delaware corporation with an address at 33 North Road, Peacedale, Rhode Island 02879 (the "Lender") a mortgage of that certain lot or parcel of land, together with all buildings and improvements thereon, commonly known and numbered as 839-C Ministerial Road, South Kingstown, Rhode Island and more fully described on Exhibit A (the "Mortgage"); and

2. The Mortgage was dated September 9, 1994 and was recorded in the Records of Land Evidence of the Town of South Kingstown on September 12, 1994 at 15:06:46 p.m.; and

3. The Mortgage was given to secure the payment of a certain promissory note in the amount of $975,000.00, dated June 15, 1994, given by the Borrower to the Lender (the "Note"); and

4. Contemporaneously herewith, the Borrower and the Lender have amended the Note to increase the interest rate on the unpaid principal balance and to extend the term from June 15, 1997 to June 15, 2000; and

5. The Borrower and the Lender desire to amend the Mortgage to extend the term to correspond to the term of the Note.

AMENDMENT

Now therefore in consideration of the increase in the interest rate under the Note, the Borrower and the Lender hereby agree to amend the Mortgage as follows:

1. The fifth sentence of paragraph one of the Mortgage is amended to read: "This debt is evidenced by Borrower's note dated June 15, 1994, in the principal sum of Nine Hundred Seventy-Five Thousand Dollars (U.S. $975,000.00)("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on June 15, 2000."

In witness whereof, the Borrower and the Lender have signed and delivered this Amendment as of the 15th day of June, 1997.

Pro-Mark Holdings, Inc.

By /s/ Steven Dias

/s/ E. David Corvese

E. David Corvese

/s/ Nancy P. Corvese

Nancy P. Corvese

STATE OF RHODE ISLAND
WASHINGTON COUNTY SS:

In South Kingstown, on this 11th day of August, 1997, before me personally appeared E. David Corvese and Nancy P. Corvese, each and both known to me to be the persons executing the foregoing Amendment to Mortgage and each acknowledged said execution to be his or her free act and deed.

/s/ Sen. Leo R. Blaise

Notary Public
My Commission Expires:

STATE OF RHODE ISLAND
WASHINGTON COUNTY SS:

In South Kingstown, on this 11th day of August, 1997 before me personally appeared Steven Dias, the Chief Financial Officer of Pro-Mark Holdings, Inc., known to me to be the person executing the foregoing Amendment to Mortgage on behalf of said corporation and he acknowledged said execution to be his free act and deed and the free act and deed of said corporation.

/s/ Dawn Rousseau

Notary Public
My Commission Expires: July 15, 1998

3-MOS
DEC-31-1997
APR-01-1997
JUN-30-1997
2,641
29,709
22,018
1,658
0
40,841
4,373
1,753
57,046
24,307
0
0
0
1
31,311
57,046
116,644
116,644
108,801
7,903
0
570
0
1,116
0
1,116
0
0
0
1,116
0.07
0.07