

REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL NOR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

1

SMI PRODUCTS, INC.

2,516,000 shares of Common Stock

The registration statement of which this prospectus is a part relates to the offer and sale of 2,516,000 shares of our common stock by the holders of these securities, referred to as selling security holders throughout this document. See "DESCRIPTION OF SECURITIES".

Our common stock is not listed on any national securities exchange or the NASDAQ stock market. We are currently a private company.

The selling security holders may offer their shares at any price. We will pay all expenses of registering the securities.

THESE SECURITIES INVOLVE A HIGH DEGREE OF RISK AND SHOULD BE CONSIDERED ONLY BY PERSONS WHO CAN AFFORD THE LOSS OF THEIR ENTIRE INVESTMENT. SEE "RISK FACTORS".

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION 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 preliminary prospectus is February 1, 2001.

TABLE OF CONTENTS

Part I

Item No.		
1.	Front Cover Page of Prospectus	1
2.	Inside Front and Outside Back Cover Pages of Prospectus	2
3.	Summary Information & Risk Factors	4
4.	Use of Proceeds	10
5.	Determination of Offering Price	10
6.	Dilution	10
7.	Selling Security Holders	10
8.	Plan of Distribution	11
9.	Legal Proceedings	11
10.	Directors, Executive Officers, Promoters and Control Management	12
11.	Security Ownership of Certain Beneficial Owners and Management	12
12.	Description of Securities	13
13.	Interest of Named Experts and Counsel	14
14.	Disclosure of Commission Position on Indemnification for Securities Act Liabilities	14
15.	Organization Within Last Five Years	N/A
16.	Description of Business	14
17.	Management's Discussion and Analysis or Plan of Operation	18
18.	Description of Property	18
19.	Certain Relationships and Related Transactions	18
20.	Market for Common Equity and Related Stockholder Matters	19
21.	Executive Compensation	19
22.	Financial Statements	19
23.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	19

Part II - Information Not Required in Prospectus

24.	Indemnification	20
25.	Other Expenses of Issuance and Distribution	20
26.	Recent Sales of Unregistered Securities	20
27.	Exhibits	21
28.	Undertakings	21

ITEM 3. SUMMARY INFORMATION AND RISK FACTORS

PROSPECTUS SUMMARY

This prospectus contains statements about our future operations, which involve risks and uncertainties. Our actual results could differ in important ways from our anticipated future operations, due to many factors, including "RISK FACTORS" and other factors. Because this is a summary and the information is selective, it does not contain all information that may be important to you. You should read carefully all information in the prospectus including its detailed information and the financial statements and their explanatory notes before making an investment decision.

Our Company.

We were incorporated in the State of Nevada on June 17, 1996. Our principal executive offices are located at 3503 Cedar Locust, Sugarland, TX 77479, Telephone - (713) 265-8660. Our total authorized stock consists of 25,000,000 common shares, par value \$.001.

OUR BUSINESS.

We have developed a website, located on the internet at www.mortgagecommunicator.com, where individuals can obtain information regarding mortgages. Currently, we do not have any operations or revenue sources. Further development of our website during our first year of operations will cost an estimated \$10,000.00.

THE OFFERING.

As of December 31, 2000, we had 7,551,000 shares of our common stock outstanding. This offering is comprised of securities offered by selling security holders only. Although we have agreed to pay all offering expenses, we will not receive any proceeds from the sale of the securities. We anticipate offering expenses of approximately \$10,000.

FINANCIAL SUMMARY INFORMATION.

Because this is a only a financial summary, it does not contain all the financial information that may be important to you. You should also read carefully all the information in this prospectus, including the financial statements included in this prospectus and their explanatory notes.

Balance Sheet Data:	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96
CASH	\$13,178	\$0	\$0	\$0	\$0
TOTAL ASSETS	\$14,261	\$283	\$483	\$683	\$883
TOTAL LIABILITIES	\$ 900	\$900	\$900	\$900	\$900
STOCKHOLDERS'EQUITY	\$13,361	(\$617)	(\$417)	(\$217)	(\$ 17)

RISK FACTORS.

An Investment in the Shares of Common Stock Offered by This Prospectus Involves a High Degree of Risk.

We cannot assure that we will ever generate revenues, develop operations, or make a profit.

We Have Little Managerial Expertise in the Development or Dissemination of Mortgage Information or in the Internet.

Because our management has little experience in developing and disseminating mortgage information, our abilities in this area may be limited. Even if our management develops a sufficient quantity of mortgage information, it may be unable to particularize or adapt it to the needs of website visitors. Moreover, our management has no Internet experience. Unless management has the financial resources to hire qualified Internet consultants, as and when needed, the presentation and technical aspects of our website may suffer.

We Now Have No Material Contracts or Future Prospects for Material Contracts; We Have Not Developed An Operational Plan to Obtain Contracts.

We have no contracts or prospective contracts that will assist us in promoting

or further developing our website or operations. We have no contracts with

Internet, computer, mortgage, technical or marketing professionals which would
assist us in the development, selection, presentational or technical aspects of
our website information. We have no contracts or prospective contracts with

other websites that would provide visitation links to our website. We have

not developed a plan to obtain any of these contracts. If we fail to develop

contracts with other websites or other professionals, our revenues will be

negatively impacted.

The Information on Our Website May Be Available on Other Websites or in Other

Informational Formats and May be Purchased at Little or No Cost.

We have conducted no research to determine what mortgage information is
available over the Internet or in other informational formats and whether that
information may be purchased at nominal fees or free to the public. We have not
yet determined all of the specific mortgage information we will make available
on our website. Because our website information may be more easily accessible at

other websites or informational formats, and/or at little or no cost, website

visitors may find our website of little or no utility.

We Lack a Well-Developed Business Plan.

Because we currently do not have a well-developed business plan, we may spend an
excessive amount of our financial and operational resources in development of
our business plan. Our website may not be developed with the computer, technical

and marketing skills necessary to provide a superior website or one which would

attract customers.

We Have a Poor Financial Condition and May be Unable to Adequately Develop our

Business.

Because we have no operating history, assets, or revenue sources, an investor
cannot determine if we will ever be profitable. We will experience financial
difficulties during our operational development and beyond. We may be unable to
operate profitably, even if we develop operations and generate revenues. We plan
to generate revenues from advertising sales through our website, but there can

be no assurance that our revenues will exceed our costs. Our poor financial
condition could adversely affect our ability to provide a website that will

attract website users or distribute mortgage information in a useful, efficient

and timely fashion, or generate revenues.

We Are a Development Stage Company With No Operating History for Investors to

Evaluate.

We have just recently developed a website, but we have no operating history for

investors to evaluate our business strategy. We have limited insight into trends
that may emerge and affect our business. You must consider the risks and
difficulties frequently encountered by development stage companies. Furthermore,
we face risks due to our anticipated participation in the new and
rapidly-evolving Internet market. These challenges include our:

- o Need to further develop, maintain, and increase awareness of our web site;
- o Need to attract and retain customers;
- o Dependence on web site and transaction processing performance and reliability;
- o Need to compete effectively;
- o Need to establish ourselves as a participant in the evolving market for mortgage information;
- o Need to establish and develop relationships with entities related to and involved in the mortgage industry in order to obtain advertising revenues for our site.

Because significant up-front advertising, sales, and other expenses are required to develop our web site, we anticipate that we may incur losses until revenues

are sufficient to cover our operating costs. We expect that our total additional website development costs will be approximately \$10,000, based on the following

estimated costs: (1) \$125 for domain name registration and listing; (2) \$7,500 for technical, presentational and other developmental costs; (3) \$1,000 for annual hosting service fees; (4) \$1,000 for annual site maintenance; and (5) \$375 for miscellaneous administrative expenses. We will allocate advertising and promotional expenses as we develop operations and research market demand for our services. Future losses are likely before our operations will become profitable.

We Have No Profits and We Have Losses.

We have no revenues or revenue sources, yet we have significant costs and losses. Our website has not been fully developed. We cannot assure that we will obtain the necessary working capital to fully develop our website. Further, even if our website is fully developed, we cannot assure that our website will receive enough Internet traffic or purchases to generate revenues or achieve profitability. We believe that we will incur net losses for at least the next two years. We expect to increase our operating expenses substantially as we:

- o Further develop our website;
- o Initiate our marketing activities and advertising efforts;
- o Provide our customers with promotional benefits;
- o Increase our general and administrative functions to support our developing operations; and
- o Develop enhanced technologies and features to improve our web site.

We will pay our increased operating expenses from our revenues, assuming they are sufficient; otherwise, we plan to borrow funds from our management to pay expenses, assuming management has sufficient resources to loan us monies, as and when required. Otherwise, we will have to seek additional debt and/or equity financing from third parties. Depending upon the extent that our development costs outpace our revenues, our losses will accumulate more rapidly. In addition, we may find that our development efforts are more expensive than we currently anticipate.

There is No Public Market for Our Common Stock.

There is no established public trading market or market maker for our securities. There can be no assurance that a market for our common stock will be established or that, if established, a market will be sustained. Therefore, if you purchase our securities you may be unable to sell them. Accordingly, you should be able to bear the financial risk of losing your entire investment.

A market maker sponsoring a company's securities is required to obtain a listing of the securities on any of the public trading markets, including the Over-the-Counter Bulletin Board ("OTCBB"). If we are unable to obtain a market maker for our securities, we will be unable to develop a trading market for our common stock. We may be unable to locate a market maker that will agree to sponsor our securities. Even if we do locate a market maker, there is no assurance that our securities will be able to meet the requirements for a quotation or that the securities will be accepted for listing on the OTCBB.

We intend to apply for listing of the securities on the OTCBB, but there can be no assurance that we will be able to obtain this listing. The OTCBB securities are not listed and traded on the floor of an organized national or regional stock exchanges. Instead, OTCBB securities transactions are conducted through a telephone and computer network connecting dealers in stocks. Over-the-counter stocks are traditionally smaller companies that do not meet the financial and other listing requirements of a regional or national stock exchange.

If We Are Unable To Attract and Retain Qualified Personnel, Our Business Could Suffer.

Our current and future success depends on our ability to identify, attract, hire, train, retain and motivate highly skilled technical, managerial, sales and marketing, customer service and professional personnel. Competition for such employees is intense, especially in the e-commerce sector. We may be unable to

successfully attract, assimilate or retain sufficiently qualified personnel. If we fail to attract and retain the necessary technical professionals, the efficiency of our website will suffer in its presentation, search abilities and

information accessibility. If we fail to retain and attract the necessary managerial, sales and marketing and customer service personnel, we may not develop a sufficient customer base to adequately fund our operations.

If Consumers And Mortgage Broker Businesses Do Not Embrace On-Line Mortgage Financing And Sales, Our Business Will Be Materially Adversely Affected.

Our success depends upon the general acceptance of on-line mortgage information and services by consumers, mortgage brokers and other third parties. If these groups do not embrace online mortgage information, our operations will be adversely affected. The market for electronic mortgage information and services, particularly over the Internet, is in its early stages of development, but is evolving rapidly. We cannot assure that a sufficiently broad base of consumers and businesses will adopt, and continue to use, the Internet to obtain mortgage services, traditionally provided in person-to-person and paper transactions. Our business prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the new and rapidly evolving market for Internet services. Several on-line mortgage service companies have already failed and are no longer in business. The industry is extremely volatile and competitive.

We believe that acceptance of our services will depend on the following factors, among others:

- o the growth of the Internet as a medium for commerce generally, and as a market for financial products and services in particular;
- o development of the necessary Internet network infrastructure to support new technologies and handle the demands placed upon the Internet;
- o government regulation of the Internet;
- o our ability to successfully and efficiently develop on-line information that is attractive to a sufficiently large number of consumers and mortgage brokers; and
- o a change in the perception among many consumers and real estate service providers that obtaining mortgage information on-line is less dependable than obtaining mortgage information through more traditional methods.

Slower response times could adversely affect use of our website. We may be

unable to develop and introduce new services or service enhancements in a timely manner. In addition, because the market for on-line mortgage information is in the early stages of development, data pertaining to the volume of visitors to other mortgage websites is difficult to predict. If the volume of website

visitors falls below expectations of financial analysts or the public, we may be unable to obtain quality advertising contracts. The occurrence of any of these

factors could have a material adverse effect upon the very nature of our business and the continuation of our website.

If Mortgage Loan Interest Rates Increase and/or There is a Decrease In The Demand For Mortgages, Our Business Could Suffer.

Mortgage business depends upon the overall level of sales and refinancing of residential real estate, as well as mortgage loan interest rates. The residential real estate industry is highly cyclical. Shifts in the economy and residential real estate values generally affect the number of home sales and new housing starts. The demand for mortgage loan information increases as the number of home sales increases. Declining interest rates generally increase mortgage loan financing activity, because homeowners refinance existing mortgage loans to obtain favorable interest rates. Rising interest rates, in contrast, discourage refinancing activities and generally reduce the number of home sales that occur. Any fluctuation in interest rates or an adverse change in residential real estate or general economic conditions could cause a serious decline in visitation to our website, memberships, and the retention rate of our previously

enrolled members, if any. We may be unable to develop our business if higher interest rates and decreased home sales occur.

We Plan to Operate in an Uncertain and Developing Market.

The market for Internet services is recent and rapidly changing. Market demand and acceptance for recently introduced Internet services is uncertain and difficult to predict. The success of our website will depend upon the adoption

of the Internet by a broad base of consumers and vendors. There can be no assurance of widespread acceptance of Internet commerce in general, including Internet mortgage information and services. Companies now offering services similar to ours have relied on consumers and vendors who use traditional means of commerce. Consumers and vendors must accept and utilize novel ways of conducting business and exchanging information if our business is to be successful.

We Will Rely on and Have Minimal Control Over Third Parties.

We expect that our operations will depend on a number of third parties over which we will have limited control. We do not plan to own an Internet gateway, but instead we will rely on an Internet Service Provider to host our website. We

may experience interruptions in our website connection and our

telecommunications access due to our reliance upon third parties. We anticipate that we will use software that is dependent on operating system, database and server software developed and produced by and licensed by third parties. We may discover errors and defects in this third party software and rely on the third parties to correct these errors and defects in a timely manner. Accordingly, continuous or prolonged interruptions in our website connection or in our

telecommunications access would have an adverse effect upon consumer perception of our ability to provide information in a timely and efficient manner.

We Will Be at Risk of System Failure, Single Site Failure, and Failure of

Delivery.

Our success will also be dependent upon our communications software and hardware. Our systems will be vulnerable to damage from earthquake, fire, floods, power loss, telecommunications failures, break-ins and similar events. Failure of information delivery can occur due to e-mail system, hosting site and/or local system failures. We have no insurance coverage on our property or business interruption insurance coverage and we do not intend to obtain this coverage in the near future. We may be vulnerable to computer viruses, physical or electronic break-ins, deliberate attempts by third parties to exceed the capacity of our systems leading to interruptions, delays, loss of data or cessation of service. The occurrence of any of these events could cause our current and prospective users to question our ability to keep their information confidential.

We Will Be at Risk for Internet Commerce Security Breaches That Could Impair Our

Business.

A significant barrier to entry in the area of electronic commerce and communications is the secure transmission of confidential information over public networks. We will rely on encryption and authentication technology licensed from third parties to provide the security and authentication necessary to effect secure transmission of confidential information. There can be no assurance that advances in computer capabilities, new discoveries in the field of cryptography or other events or developments will not result in a compromise or breach of the algorithms we may use to protect customer transaction data. If any such compromise of our security were to occur, we may be subject to damage claims from our users or others.

A party who is able to circumvent our security measures could misappropriate proprietary information. We may be required to expend significant capital and other resources to protect against security breaches or to alleviate problems caused by breaches. Concerns over the security of Internet transactions and the privacy of users may also inhibit the growth of the Internet generally, and the World Wide Web in particular, especially as a means of conducting commercial transactions. To the extent that our future activities or those of third party contractors whom we may use involve the storage and transmission of proprietary information, such as credit card numbers, security breaches could expose us to a risk of loss or litigation. There can be no assurance that we will be able to implement security measures that will prevent security breaches.

We Have Substantial Near-Term Capital Needs; We May be Unable to Obtain Needed

Additional Funding.

We will require funding over the next twenty-four months to develop our business. In fact, after paying the expenses of this offering, we will have minimal capital for operations and we will have immediate funding. We currently

have no source of funds. Our capital requirements will depend on many factors including, but not limited to, the timing of further development of our web site

and the growth of the Internet. If additional funds are raised through the issuance of equity securities, the percentage ownership of our current shareholders will be reduced. Moreover, those equity securities may have rights, preferences, and privileges senior to those of the holders of our common stock. There can be no assurance that additional capital will be available on terms favorable to us or our shareholders.

Our cash requirements may vary substantially depending on our rate of development, research results, competitive and technological advances and other factors. If adequate funds are not available, we may be required to curtail operations or to obtain funds by entering into collaboration agreements on unattractive terms. Our inability to raise capital would impair the technical and presentational aspects of our website and our marketing abilities.

We Have Substantial Long-Term Capital Needs; We May Be Unable to Obtain Needed

Additional Funding.

Substantial expenditures will be required to further develop our web site and to market our services. The level of expenditures required for these activities will depend in part on whether we develop and market our services independently or with other companies through collaborative arrangements. Our future capital requirements will also depend on one or more of the following factors:

- o market acceptance of our services;
- o the extent and progress of our research and development programs;
- o competing technological and market developments; and
- o the costs of commercializing our services.

There can be no assurance that funding will be available on favorable terms to permit successful commercialization of our website, if at all.

In addition, we have no credit facility or other committed sources of capital. We may be unable to establish credit arrangements on satisfactory terms, if at all. If capital resources are insufficient to meet our future capital requirements, we may have to raise additional funds to continue development of our website. There can be no assurance that such funds will be available on

favorable terms, if at all.

To the extent that additional capital is raised through the sale of equity and/or convertible debt securities, the issuance of such securities will likely result in dilution to our shareholders. If adequate funds are not available, we may be unable to develop our operations to a sufficient level to generate revenues or become profitable.

If the Securities Do Not Meet Blue Sky Resale Requirements, You May Be Unable to

Resell Your Securities.

The securities offered by this prospectus must meet the blue sky resale requirements in the states in which the proposed purchasers reside. If we fail to meet these qualifications, the securities may be deprived of any value.

If We Issue Future Shares, Present Investors' per Share Value Will be Diluted.

We are authorized to issue maximum stock of 25,000,000 common shares. As of December 31, 2000, there were 7,551,000 common shares issued and outstanding. The Board of Directors has authority to issue the balance of 17,449,000 shares of our authorized stock without shareholder consent, on terms and conditions set in the discretion of the Board, which may dilute the value of your stock.

Our Principal Stockholder Controls our Company.

Our company founder, principal stockholder and Director, Philip Herr, currently, owns approximately 66% of our common stock. Therefore, he will have significant influence over all matters requiring approval by our stockholders, but not requiring the approval of the minority stockholders. In addition, Philip Herr

will be able to elect all of the members of our Board of Directors, allowing him to exercise significant control of our affairs and management. In addition, Philip Herr may affect most corporate matters requiring stockholder approval by written consent, without a duly-noticed and duly-held meeting of stockholders.

If We Lose Any of Our Key Personnel, Our Business Would Be Impaired.

Our success is heavily dependent upon the continued active participation of our chief executive officer, James Charuk. Loss of his services could have a material adverse effect upon our business development. We do not maintain "KEY PERSON" life insurance on James Charuk's life. We do not have a written employment agreement with James Charuk. There can be no assurance that we will be able to recruit or retain other qualified personnel, should it be necessary to do so.

We Face Competition From Other Entities Providing Services Similar to Ours.

We will face intense competition in all aspects of the mortgage business. We will compete with financial intermediaries, commercial banks, savings associations, credit unions, loan brokers and insurance companies that also provide mortgage information and services to the public. These companies may offer convenience and customer service superior to that offered by our company.

In addition, these companies may have better marketing and distribution channels. There can be no assurance that we will be able to compete effectively in this highly competitive industry, which could have a material adverse impact upon market acceptance of our website and the information we wish to disseminate.

We Have Never Paid Dividends.

We have never paid dividends. We do not anticipate declaring or paying dividends in the foreseeable future. Our retained earnings, if any, will finance the development and expansion of our business. Our dividends will be at our Board of Directors' discretion and contingent upon our financial condition, earnings, capital requirements and other factors. Future dividends may also be affected by covenants contained in loan or other financing documents we may execute. Therefore, there can be no assurance that cash dividends of any kind will ever be paid.

Our Business Plan Incorporates Estimates Rather than Actual Figures.

The discussion of our future business is management's best estimate and analysis of the potential market, opportunities and difficulties that we face. There can be no assurances that our estimates and analysis accurately reflect our opportunities and potential for success. Competitive and economic forces make forecasting of revenues and costs difficult and unpredictable.

ITEM 4. USE OF PROCEEDS

Not applicable. We will not receive any proceeds from the sale of the securities by the selling security holders.

ITEM 5. DETERMINATION OF OFFERING PRICE

Not applicable. The selling security holders will be able to determine the price at which they sell their securities.

ITEM 6. DILUTION

Not applicable. We are not registering any unissued shares in this registration statement.

ITEM 7. SELLING SECURITY HOLDERS

The securities are being sold by the selling security holders named below. The table indicates that all the securities will be available for resale after the offering. However, any or all of the securities listed below may be retained by any of the selling security holders, and therefore, no accurate forecast can be made as to the number of securities that will be held by the selling security holders upon termination of this offering. We believe that the selling security holders listed in the table have sole voting and investment powers with respect to the securities indicated. We will not receive any proceeds from the sale of the securities.

<TABLE>
<CAPTION>

Beneficial Ownership	Maximum Number of	Beneficial Ownership
-------------------------	----------------------	-------------------------

NAME(1)	Before Offering		Shares Being Offered	After Offering(2)	
	Shares	Percent		Shares	Percent
<S>	<C>	<C>	<C>	<C>	<C>
477633 B.C. Ltd.	1000	Less than 1%	1000	0	0
Abey, Michael in Trust For Bo Edison Abey	500	Less than 1%	500	0	0
Abey, Michael in Trust For Michaela Abey	500	Less than 1%	500	0	0
Anderson, Elizabeth	1000	Less than 1%	1000	0	0
Armor Capital Partners	150,000	2%	150,000	0	0
Associated Product Services	310,000	4%	310,000	0	0
Bank Sol Oppenheim	200,000	3%	200,000	0	0
Biedka, Lucia	2000	Less than 1%	2000	0	0
Charuk, Al	1000	Less than 1%	1000	0	0
Charuk, Barbara	1000	Less than 1%	1000	0	0
Charuk, Jill	1000	Less than 1%	1000	0	0
Coutts, Steve	1000	Less than 1%	1000	0	0
Destin Pacific	320,000	4%	320,000	0	0
Dick, Brian	1000	Less than 1%	1000	0	0
Dispasquale, Anna	1000	Less than 1%	1000	0	0
Dispasquale, Paul	1000	Less than 1%	1000	0	0
Eckert, Dale	1000	Less than 1%	1000	0	0
E-Ternity Trading Corp.	1000	Less than 1%	1000	0	0
Extreme Investment Corp.	1000	Less than 1%	1000	0	0
Harris, Graham in Trust For Bryton Harris	1000	Less than 1%	1000	0	0
Harris, Graham in Trust For Graydon Harris	1000	Less than 1%	1000	0	0
Havanna Consultants Inc.	1000	Less than 1%	1000	0	0
Holden, Mark	1000	Less than 1%	1000	0	0
Holt, Chanel in Trust	1000	Less than 1%	1000	0	0
Holt, Julie	1000	Less than 1%	1000	0	0
Holt, Oliver in Trust	1000	Less than 1%	1000	0	0
Holt, Paul	1000	Less than 1%	1000	0	0
Holt, Spencer in Trust	1000	Less than 1%	1000	0	0
Gajdics, Tibor in Trust For Merrick Gajdics	1000	Less than 1%	1000	0	0
Gajdics, Tibor in Trust For Michael Gajdics	1000	Less than 1%	1000	0	0
Iucolino, Marco	1000	Less than 1%	1000	0	0
Kiss, Ilona	1000	Less than 1%	1000	0	0
Kurtyka, Anna	1000	Less than 1%	1000	0	0
Legg, David	1000	Less than 1%	1000	0	0
Matrix Holdings Foundation	320,000	4%	320,000	0	0
McCleod, Bruce	1000	Less than 1%	1000	0	0
McDermid, Elaine	1000	Less than 1%	1000	0	0
McLeod, Don	1000	Less than 1%	1000	0	0
M.D.I. Small Cap Fund	280,000	4%	280,000	0	0
Miller, David	1000	Less than 1%	1000	0	0
Miller, Ron W.	1000	Less than 1%	1000	0	0
Mitchell, David	1000	Less than 1%	1000	0	0
Nelson, Candice	1000	Less than 1%	1000	0	0
Noel, C.M.	1000	Less than 1%	1000	0	0
Noel, D.R.	1000	Less than 1%	1000	0	0
Robertson, Jayde	1000	Less than 1%	1000	0	0
Robertson, John	1000	Less than 1%	1000	0	0
Roman, Roman 17 Ltd.	320,000	4%	320,000	0	0
Shaw, Brent	276,000		276,000	0	0
Shaw, Grant	1000	Less than 1%	1000	0	0
Shaw, Wade	2000		2000	0	0
Stead, Martin	1000	Less than 1%	1000	0	0
Symes, Sharon	1000	Less than 1%	1000	0	0
Symes, Sharon in Trust For Zachary Symes	1000	Less than 1%	1000	0	0
Venture Consultants	290,000	4%	290,000	0	0
Vanger, Tony	1000	Less than 1%	1000	0	0
Whitmore, Kay Brian	1000	Less than 1%	1000	0	0
Wills, Les	1000	Less than 1%	1000	0	0
Total	2,516,000		2,516,000		

(1) None of the selling security holders have, or ever had, any material relationship with our corporation or any of its predecessors and/or affiliates.

(2) Assumes the sale of all shares offered by Selling Security Holder.

</TABLE>

We intend to seek qualification for sale of the securities in those states where

the securities will be offered. That qualification is necessary to resell the securities in the public market and only if the securities are qualified for sale or are exempt from qualification in the states in which the selling shareholders or proposed purchasers reside. There is no assurance that the states in which we seek qualification will approve of resales of our securities resales.

ITEM 8. PLAN OF DISTRIBUTION

The securities offered by this prospectus may be sold by the selling security holders or by those to whom such shares are transferred. We are not aware of any underwriting arrangements that have been entered into by the selling security holders. The distribution of the securities by the selling security holders may be effected in one or more transactions that may take place in the over-the-counter market, assuming a market for our securities exists, including broker's transactions, privately negotiated transactions or through sales to one or more dealers acting as principals in the resale of these securities.

Any of the selling security holders, acting alone or in concert with one another, may be considered statutory underwriters under the Securities Act of 1933, if they are directly or indirectly conducting an illegal distribution of the securities on behalf of our corporation. For instance, an illegal distribution may occur if any of the selling securities holders provide us with cash proceeds from their sales of the securities. If any of the selling shareholders are determined to be underwriters, they may be liable for securities violations in connection with any material misrepresentations or omissions made in this prospectus.

In addition, the selling security holders and any brokers and dealers through whom sales of the securities are made may be deemed to be "UNDERWRITERS" within the meaning of the Securities Act, and the commissions or discounts and other compensation paid to such persons may be regarded as underwriters' compensation.

The selling security holders may pledge all or a portion of the securities owned as collateral for margin accounts or in loan transactions, and the securities may be resold pursuant to the terms of such pledges, accounts or loan transactions. Upon default by such selling security holders, the pledgee in such loan transaction would have the same rights of sale as the selling security holders under this prospectus. The selling security holders also may enter into exchange traded listed option transactions which require the delivery of the securities listed under this prospectus. The selling security holders may also transfer securities owned in other ways not involving market makers or established trading markets, including directly by gift, distribution, or other transfer without consideration, and upon any such transfer the transferee would have the same rights of sale as such selling security holders under this prospectus.

In addition to, and without limiting, the foregoing, each of the selling security holders and any other person participating in a distribution will be affected by the applicable provisions of the Securities Exchange Act of 1934, including, without limitation, Regulation M, which may limit the timing of purchases and sales of any of the securities by the selling security holders or any such other person.

There can be no assurances that the selling security holders will sell any or all of the securities. In order to comply with state securities laws, if applicable, the securities will be sold in jurisdictions only through registered or licensed brokers or dealers. In various states, the securities may not be sold unless these securities have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with. Under applicable rules and regulations of the Exchange Act, as amended, any person engaged in a distribution of the securities may not simultaneously engage in market-making activities in these securities for a period of one or five business days prior to the commencement of such distribution.

All of the foregoing may affect the marketability of the securities. Pursuant to the various agreements we have with the selling securities holders, we will pay all the fees and expenses incident to the registration of the securities, other than the selling security holders' pro rata share of underwriting discounts and commissions, if any, which is to be paid by the selling security holders.

ITEM 9. LEGAL PROCEEDINGS

We are not aware of any pending or threatened legal proceedings which involve SMI Products, Inc.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS, AND CONTROL PERSONS

(a) Directors and Officers.

Our Bylaws provide that we shall have a minimum of one director and a

maximum of nine directors on the board at any one time. Our current directors and executive officers are as follows:

NAME AND ADDRESS -----	AGE ---	POSITIONS HELD -----
James Charuk	44	President and Director
Cynthia Carter	42	Secretary, Treasurer and Director
Philip Herr	59	Director

These persons will serve as directors until our next annual shareholder meeting or until a successor is elected who accepts the position. Directors are elected for one-year terms.

Philip Herr

Mr. Herr has been a Director of the company since inception from 1991 to present. Mr. Herr has worked as an independent consultant specializing in small business development. He retired as a Captain in the U.S. Navy in 1988. He received a B.S. Degree in Accounting and Taxation from the University of Roosevelt, Chicago, IL, in 1963. Mr. Herr will devote approximately 5% of his time to the business of the company.

James Charuk

Mr. Charuk was born in Canada and immigrated to the United States in May 1990. During 1990-1991, Mr. Charuk was a database analyst for Digitech Information, a private company specializing in oil reservoir analyses.

From 1991 to December 1997, Mr. Charuk served as a principal of Western Atlas International, a Houston, Texas- based company specializing in geosciences and interpretation services for forestry and mining companies. Mr. Charuk's responsibilities included overseeing an annual budget in excess of \$14 Million for Western Atlas in the areas of Geosciences and Interpretation Software Systems and Data Analysis.

In December 1997, Mr. Charuk became a Director of CCR Internet Realty, now known as E-Realty, and served as a Director until January 2000. E-Realty is a pioneer in the E-Broker residential real estate industry in the United States. From January 2000 to present, Mr. Charuk has been the Chief Technology Officer and V.P. of Technology for E-Realty.

He earned a Bachelor of Science degree from Mount Allison University in Moncton, New Brunswick in 1981.

Mr. Charuk will devote approximately 20% of his time to the business of the company.

Cynthia Carter

From 1992 to present, Ms. Carter has been sole officer, director and shareholder of White Pine Productions, Inc., a Nevada corporation engaged in direct and integrated marketing strategy and development, website development and internet branding in Chicago, IL. Her clients include The Quaker Oats Company, and major international advertising agencies, such as DDB Needham, Leo Burnett and J. Walter Thompson. Ms. Carter has also been involved in the broadcasting and related F.C.C. industry since 1984. Ms Carter received a B.S. in English from Southwest Missouri State University in 1979. Ms. Carter will devote approximately 5% of her time to the business of the company.

(b) Significant Employees.

Other than James Charuk, there are no employees who are expected to

make a significant contribution to our corporation.

(c) Family Relationships.

There are no family relationships among our officers, directors, or persons nominated for such positions.

(d) Legal Proceedings.

No officer, director, or persons nominated for such positions, and no promoter or significant employee of our corporation has been involved in legal proceedings that would be material to an evaluation of our management.

The following tables set forth the ownership, as of December 31, 2000, of our common stock (a) by each person known by us to be the beneficial owner of more than 5% of our outstanding common stock, and (b) by each of our directors, by all executive officers and by our directors as a group. To the best of our knowledge, all persons named have sole voting and investment power with respect to such shares, except as otherwise noted.

(a) Security Ownership of Certain Beneficial Owners.

TITLE OF CLASS	NAME & ADDRESS	NO. OF SHARES	NATURE OF OWNERSHIP	CURRENT %OWNED
Common	Philip Herr	5,000,000	Direct	66%

(b) Security Ownership of Officers and Directors.

TITLE OF CLASS	NAME & ADDRESS	NO. OF SHARES	NATURE OF OWNERSHIP	CURRENT %OWNED
Common	Philip Herr	5,000,000	Direct	66%
Common	James Charuk	25,000	Direct Less than	1%
Common	Cynthia Carter	10,000	Direct Less than	1%
All Officers and Directors as a Group (Approx.) (3 Individuals)		5,035,000	Direct	66%

(c) Changes in Control.

There are currently no arrangements, which would result in a change in control of SMI Products, Inc.

ITEM 12. DESCRIPTION OF SECURITIES

The following description is a summary and is qualified in its entirety by the provisions of our Articles of Incorporation and Bylaws, copies of which have been filed as exhibits to the registration statement of which this prospectus is a part.

COMMON STOCK.

General.

We are authorized to issue 25,000,000 shares of common stock, \$001 par value. As of December 31, 2000, there were 7,551,000 common shares issued and outstanding. All shares of common stock outstanding are validly issued, fully paid for and non-assessable.

Voting Rights.

Each share of common stock entitles the holder to one vote, either in person or by proxy, at meetings of shareholders. The holders are not permitted to vote their shares cumulatively. Accordingly, the holders of common stock holding, in the aggregate, more than fifty percent of the total voting rights can elect all of our directors and, in such event, the holders of the remaining minority shares will not be able to elect any of such directors. The vote of the holders of a majority of the issued and outstanding shares of common stock entitled to vote thereon is sufficient to authorize, affirm, ratify or consent to such act or action, except as otherwise provided by law.

Dividend Policy.

All shares of common stock are entitled to participate proportionally in dividends if our Board of Directors declares them out of the funds legally available and subordinate to the rights, if any, of the holders of loan or other financing documents. These dividends may be paid in cash, property or additional shares of common stock. We have not paid any dividends since our inception and presently anticipate that all earnings, if any, will be retained for development of our business. Any future dividends will be at the discretion of our Board of Directors and will depend upon, among other things, our future earnings, operating and financial condition, capital requirements, and other factors. Therefore, there can be no assurance that any dividends on the common stock will be paid in the future.

Miscellaneous Rights and Provisions.

Holders of common stock have no cumulative voting rights, and no preemptive or

other subscription rights, conversion rights, redemption or sinking fund provisions. In the event of our dissolution, whether voluntary or involuntary, each share of common stock is entitled to share proportionally in any assets available for distribution to holders of our equity after satisfaction of all liabilities and payment of the applicable liquidation preference of any outstanding loan or financing documents.

Stock Transfer Agent
- - - - -

Upon completion of this offering, we intend to engage an independent stock transfer agency firm to serve as our registrar and stock transfer agent.

SHARES ELIGIBLE FOR FUTURE SALE.

The 2,516,000 shares of common stock registered in this offering will be freely tradable without restrictions under the Securities Act. No shares held by our "affiliates" (officers, directors or 10% shareholders) are being registered hereunder. The remaining 5,035,000 of our outstanding shares are held by affiliates: Mr. Herr owns 5,000,000 shares, all of which have been held for over one year; Mr. Charuk owns 25,000 shares, all of which have been held for less than one year; and Ms. Carter owns 10,000 shares, all of which have been held for less than one year.

In general, under Rule 144, as currently in effect, any of our affiliates and any person or persons whose sales are aggregated who has beneficially owned his or her restricted shares for at least one year, may be entitled to sell in the open market within any three-month period a number of shares of common stock that does not exceed the greater of (i) 1% of the then outstanding shares of our common stock, or (ii) the average weekly trading volume in the common stock during the four calendar weeks preceding such sale. Sales under Rule 144 are also affected by limitations on manner of sale, notice requirements, and availability of current public information about us. Non-affiliates who have held their restricted shares for two years may be entitled to sell their shares under Rule 144 without regard to any of the above limitations, provided they have not been affiliates for the three months preceding such sale.

Further, Rule 144A as currently in effect, in general, permits unlimited resales of restricted securities of any issuer provided that the purchaser is an institution that owns and invests on a discretionary basis at least \$100 million in securities or is a registered broker-dealer that owns and invests \$10 million in securities. Rule 144A allows our existing stockholders to sell their shares of common stock to such institutions and registered broker-dealers without regard to any volume or other restrictions. Unlike under Rule 144, restricted securities sold under Rule 144A to non-affiliates do not lose their status as restricted securities.

As a result of the provisions of Rule 144, and subject to the volume limitations of Rule 144 applicable, 5,000,000 of the outstanding restricted securities, held by Mr. Herr, a director of the company, could be available immediately for sale in a public market, if developed. The availability for sale of substantial amounts of common stock under Rule 144 could adversely affect prevailing market prices, if any, for our securities.

ITEM 13. EXPERTS

ACCOUNTANTS
- - - - -

Our Audited Financial Statements for the period from June 17, 1996 (inception) to December 31, 2000, have been included in this prospectus in reliance upon of

Amisano Hanson, Chartered Accountants, 750 West Pender Street, Suite 604, Vancouver, B.C. Canada, V6C 2T7, telephone 604-689-0188, as experts in accounting and auditing.

LEGAL MATTERS
- - - - -

The law office of Michael J. Morrison, Chtd., 1495 Ridgeview Drive, Suite 220, Reno, Nevada 89509, telephone 775-827-6300, has passed upon the validity of the shares offered and certain other legal matters in connection with this registration statement.

ITEM 14. DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons, we have been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In

the event that a claim for indemnification against such liabilities, other than the payment by us of expenses incurred or paid by our directors, officers or controlling persons in the successful defense of any action, suit or proceedings, is asserted by such director, officer, or controlling person in connection with any securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issues.

ITEM 16. DESCRIPTION OF BUSINESS

We have commenced operations on the internet. We have filed and registered a domain name and have developed a website with information services related to

the mortgage industry. There can be no assurance that we will be able to develop operations in this area, or any other area.

BUSINESS DEVELOPMENT.

We were incorporated in the State of Nevada on June 17, 1996, for the purpose of providing consulting services to businesses, and engaging in any other lawful activity.

PRINCIPAL PRODUCTS AND SERVICES.

We currently have a web site at the URL mortgagecommunicator.com. We have registered a domain name, and have a hosting service for mortgagecommunicator.com.

Our web site provides information to visitors about different mortgages. The

site offers both free information services, as well as "subscribed for" member services. The free information services include: a daily mortgage commentary; a listing of the top online mortgage companies; and the daily top news headlines and stories for the mortgage and real estate industry.

The subscribed for services include: A glossary of terms and frequently asked questions for the mortgage and real estate industry; mortgage calculators; an interest rate survey empowering individuals to make a more informed mortgage decision; and rate alert, a feature which allows the subscriber to set the rate and points they want, then be notified when the rate and points reach the level desired.

Visitors who wish to subscribe for the member services will pay an annual subscription fee of \$49.95 per year, which allows them to use the member services on our site for one year from the subscription date. Each subscriber will be granted a password for entry into the member services section of our website. We plan to charge this fee to the subscriber's credit or debit card.

We plan to process all orders by on line credit card or cyber cash systems. We currently have developed a relationship to process online orders. In addition, we have researched the needs of our planned website functions and the fees

associated with the services needed to fulfill those needs.

Our site content will consist of information relating to the mortgage industry. In the future, we may plan to provide interest rate information by geographic area. A portion of the information available on our website may be available free of charge at other locations; however, we intend to develop more expansive information than that available free of charge.

Applying for a mortgage can be a confusing, tedious and intrusive experience for homebuyers, especially first-time homebuyers. We plan to demystify the mortgage loan process by providing more expansive information to familiarize persons interested in mortgages.

We plan to establish our market through e-mail advertising. We have not conducted any market testing to determine prospective advertisers on our website. Visitors will be able to obtain information twenty-four hours per day, seven days per week through the website. We also plan to sell advertising on our website to banks, mortgage brokers, builders, land appraisers, surveyors, inspectors, title companies and real estate brokers. We have not developed criteria for pricing of the advertising space; however, we anticipate pricing will be based upon advertisement size, web page placement, content requirements, contract duration and other factors. We currently have no advertisers.

We plan to classify lenders' advertisements by loan products they each offer.

We plan to seek lender advertisers that have a variety of products including full disclosure loans that require verification of income, assets, credit, source of funds, employment and residence history, based solely on the borrower's credit history and the loan to value ratios without any further documentation. We also plan to attract advertisers who offer programs for borrowers with previous credit blemishes and those offering sub-prime loans.

The process of applying for a mortgage may be an invasive and foreign process. We believe we can take the mystique out of the process by familiarizing the borrower with required steps to obtain a mortgage.

DISTRIBUTION.

We plan to deliver our services through our website. As of the date of this prospectus, we have an Internet service provider, web site developer and a basic web site, all of which will be necessary to execute our plan of business.

NEW PRODUCTS OR SERVICES.

We currently have no new products or services announced or planned to be announced to the public.

COMPETITIVE BUSINESS CONDITIONS.

The conventional method of obtaining mortgage information, for at least the past fifty years, has been through personal contact with mortgage brokers or lenders, commercial banks, savings and loan associations, credit unions and insurance companies. The public has been reticent to try new vehicles or formats through which they would receive mortgage information. Despite the convenience of information offered over the Internet, including at our website, many consumers will view conventional methods of obtaining this information more convenient and offering better customer service. We believe conventional methods will continue to be a prime source of competition, along with the many other internet based mortgage information and service sites.

SOURCES AND AVAILABILITY OF RAW MATERIALS.

As of the date of this prospectus, we have no need for raw materials or suppliers.

CUSTOMER BASE.

As of the date of this prospectus, we have no customers. If we are able to establish a customer base in the future, we do not anticipate we will depend on one or a few major customers. There can be no assurance that this assumption is correct.

INTELLECTUAL PROPERTY.

We do not have any trademarks, patents, licenses, royalty agreements, or other proprietary interests, except for the web domain name mortgagecommunicator.com.

GOVERNMENTAL REGULATION ISSUES.

We are not now affected by direct government regulation. However, we are affected by laws, rules and regulations directly applicable to access to or commerce on the Internet generally. However, due to increasing usage of the Internet, a number of laws and regulations may be adopted relating to the Internet, covering user privacy, pricing, and characteristics and quality of products and services. Furthermore, the growth and development for Internet commerce may prompt more stringent consumer protection laws imposing additional burdens on those companies conducting business over the Internet. The adoption of any additional laws or regulations may decrease the growth of the Internet, which, in turn, could decrease the demand for Internet services and increase the cost of doing business on the Internet. These factors may have an adverse effect on our business, results of operations and financial condition.

Moreover, the interpretation of sales tax, libel and personal privacy laws applied to Internet commerce is uncertain and unresolved. We may be required to qualify to do business as a foreign corporation in each such state or foreign country. Our failure to qualify as a foreign corporation in a jurisdiction where we are required to do so could subject us to taxes and penalties. Any such existing or new legislation or regulation, including state sales tax, or the application of laws or regulations from jurisdictions whose laws do not currently apply to our business, could have a material adverse effect on our business, results of operations and financial condition.

RESEARCH AND DEVELOPMENT.

To date, we have not undergone any research and development, except that required to put up our website.

ENVIRONMENTAL LAW COMPLIANCE.

To the extent which environmental compliance may be necessary, we do not anticipate any significant compliance expense.

EMPLOYEES.

We currently have one employee, James Charuk, our president and a director, who works for our corporation part-time. We have no employment contracts and our employee is not a union member or affected by labor contracts.

REPORTS TO SECURITY HOLDERS.

After the effective date of this registration statement, we will be a reporting company under the requirements of the Exchange Act and will file quarterly, annual and other reports with the Securities and Exchange Commission. Our annual report will contain the required audited financial statements. We are not required to deliver an annual report to security holders and will not voluntarily deliver a copy of the annual report to the security holders. The reports and other information filed by us will be available for inspection and copying at the public reference facilities of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

Copies of such material may be obtained by mail from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. In addition, the Commission maintains a World Wide Website on the Internet at <http://www.sec.gov> that

contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission.

YEAR 2000 COMPLIANCE.

We have no computer systems at this time. As a result, we have not encountered any compliance costs. The Y2K compliance issue is the result of computer programs being written using two digits rather than four to define the applicable year. Computer programs that have time sensitive software may recognize a date using "00" as the year 1900 rather than 2000. This could result in a systems failure or miscalculation causing disruption of operations, including, among other things, a temporary inability to process transactions, send invoices, or engage in similar normal business activities. Although the Year 2000 event has already occurred, there may be some chance that the effects of that event on computer systems have not yet become apparent, we do not anticipate Y2K issues will have a significant effect on our corporation or operations.

ITEM 17. PLAN OF OPERATIONS

The discussion contained in this prospectus contains "FORWARD-LOOKING STATEMENTS" that involve risk and uncertainties. These statements may be identified by the use of terminology such as "BELIEVES," "EXPECTS," "MAY," "WILL," "SHOULD" or "ANTICIPATES" or expressing this terminology negatively or similar expressions or by discussions of strategy. The cautionary statements made in this prospectus are applicable to all related forward-looking statements wherever they appear in this prospectus. Our actual results could differ materially from those discussed in this prospectus. Important factors that could cause or contribute to such differences include those discussed under the caption entitled "RISK FACTORS," as well as those discussed elsewhere in this registration statement.

We are a development stage company without operations or revenues. We are unable to satisfy cash requirements without management's financial support or other funding. Our management and certain investors have made \$50,100 of capital contributions to our business. We anticipate, but have no assurance, that we will meet our cash requirements for the foreseeable future through the financial support of our management. Management's capital contributions will be accomplished through interest bearing promissory notes between our company and

management. No promissory notes are currently in effect. We have not determined the amount of funds that will be necessary for management to contribute at this time. Nor is there any assurance our management will have funds available to loan us as and when we require funds. In such event, we will be required to seek loans and/or equity funding from third parties, and there is no assurance we will be able to do so.

Over the next twelve months, we plan to further develop our web site to

provide mortgage related information. We will require additional funds to further develop our website. Although we plan to raise additional

funds, we have not yet determined how, where or when we will obtain these funds. There is no assurance that we will be able to obtain financing for our business development. If adequate funds are not available to us, we believe that our business development will be adversely affected.

Until such time as our website is fully developed, we do not expect to have any significant revenues from our operations. We anticipate that if our website

becomes fully operational, we will generate revenues from the sale of subscriptions to the website and though the sale of advertisements. There is no

assurance that we will be successful in selling subscriptions or advertising for our website. We have no other sources of revenue. As such, if we are not

successful in this regard, we will be unable to achieve revenues under our current business plan.

If our company or its management receives proceeds from the sales of the ----- securities by the selling security shareholders, which neither the company nor its management has any intent to do, those persons may have conducted an illegal distribution of our securities and may be deemed underwriters. Accordingly, they will have liability for any material misrepresentations or omissions in this document and otherwise in the offer and sale of securities.

We do not anticipate significant research and development expenses over the next twelve months. We do not expect to purchase or sell any plant and significant equipment or make any significant changes in the number of employees over the next twelve months.

ITEM 18. DESCRIPTION OF PROPERTY

Our executive offices are located at 3503 Cedar Locust, Sugarland, TX 77479, telephone (713) 265-8660, where we share space in the offices our President, James Charuk. The space is approximately 400 square feet total, of which we ----- occupy a small portion without charge. We feel that this space is adequate for our needs at this time, and we feel that we will be able to locate adequate space in the future, if needed, on commercially reasonable terms.

ITEM 19. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Other than the sale of shares to our officers and directors, we have not entered ----- into any transactions with our officers, directors, persons nominated for such positions, beneficial owners of 5% or more of our common stock, or family members of such persons. We are not a subsidiary of any other company. Our President, James Charuk, and our founder and Director, Philip Herr, were was our only promoters.

ITEM 20. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Market Information.
Our common stock is not traded on any exchange. We plan to eventually seek listing on the OTC Bulletin Board, once our registration statement has cleared comments of the Securities and Exchange Commission, and the N.A.S.D. We cannot guarantee that we will obtain a listing. There is no trading activity in our securities, and there can be no assurance that a regular trading market for our common stock will ever be developed.

As of of December 31, 2000, there were approximately 60 holders of record of our common stock.

ITEM 21. EXECUTIVE COMPENSATION

No executive compensation has been paid since our inception.

ITEM 22. FINANCIAL STATEMENTS

SMI PRODUCTS, INC.

(A Development Stage Company)

REPORT AND FINANCIAL STATEMENTS

December 31, 2000, 1999, 1998, 1997 and 1996

(Stated in US Dollars)

INDEPENDENT AUDITORS' REPORT

To the Stockholders,
SMI Products, Inc.

We have audited the accompanying balance sheets of SMI Products, Inc. (A Development Stage Enterprise) as at December 31, 2000, 1999, 1998, 1997 and 1996 and the statements of operations, stockholders' equity and cash flows for each of the years in the four year period ended December 31, 2000, the seven months ended December 31, 1996 and for the period from inception, June 17, 1996 to December 31, 2000. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with United States generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance 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, these financial statements present fairly, in all material respects, the financial position of SMI Products, Inc. as at December 31, 2000, 1999, 1998, 1997 and 1996 and the results of its operations and cash flows for each of the years in the four year period ended December 31, 2000, the seven months ended December 31, 1996 and for the period from inception, June 17, 1996 to December 31, 2000, in accordance with generally accepted accounting principles in the United States.

The accompanying consolidated financial statements referred to above have been prepared assuming that the company will continue as a going concern. As discussed in Note 1 to the financial statements, the company is in the development stage, and has no established source of revenue and is dependent on its ability to raise capital from shareholders or other sources to sustain operations. These factors, along with other matters as set forth in Note 1, raise substantial doubt that the company will be able to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Vancouver, Canada
January 2, 2001

"AMISANO HANSON"
Chartered Accountants

Suite 604 - 750 West Pender Street
Vancouver, Canada
V6C 2T7

Telephone: (604) 689-0188
Facsimile: (604) 689-9773
E-MAIL: amishan@telus.net

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SMI PRODUCTS, INC.
(A Development Stage Company)
BALANCE SHEETS
December 31, 2000, 1999, 1998, 1997 and 1996
(Stated in US Dollars)

	ASSETS				

	2000	1999	1998	1997	1996
	----	----	----	----	----
<S>	<C>	<C>	<C>	<C>	<C>
Current					
Cash	\$ 13,178	\$ -	\$ -	\$ -	\$ -
Advance receivable - Note 3	1,000	-	-	-	-
Organization costs - Note 4	83	283	483	683	883
	-----	-----	-----	-----	-----
	\$ 14,261	\$ 283	\$ 483	\$ 683	\$ 883
	=====	=====	=====	=====	=====

LIABILITIES

Current					
Due to related party - Note 5	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900
	-----	-----	-----	-----	-----

STOCKHOLDER'S EQUITY

Common stock - Note 6	2,552	1	1	1	1
Additional paid-in capital	48,048	99	99	99	99
Deficit accumulated during the development stage	(37,239)	(717)	(517)	(317)	(117)
	-----	-----	-----	-----	-----
	13,361	(617)	(417)	(217)	(17)
	-----	-----	-----	-----	-----
	\$ 14,261	\$ 283	\$ 483	\$ 683	\$ 883
	=====	=====	=====	=====	=====

Nature and Continuance of Operations - Note 1

SEE ACCOMPANYING NOTES

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SMI PRODUCTS, INC.
(A Development Stage Company)
STATEMENTS OF OPERATIONS
for the years ended December 31, 2000, 1999, 1998, 1997
and the seven months ended December 31, 1996
and June 17, 1996 (Date of Inception) to December 31, 2000
(Stated in US Dollars)

1996	Years ended December 31,				7 months ended	June 17,
to	-----				December 31,	(Date of Inception)
31,	2000	1999	1998	1997	1996	2000
<S>	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Expenses						
Amortization	\$ 200	\$ 200	\$ 200	\$ 200	\$ 117	\$ 917
Audit fees	2,000	-	-	-	-	-
2,000						
Business plan	10,114	-	-	-	-	-
10,114						
Consulting fees	11,776	-	-	-	-	-
11,776						
Promotion and entertainment	12,432	-	-	-	-	-
12,432						
	-----	-----	-----	-----	-----	-----
--						
Net loss	\$ 36,522	\$ 200	\$ 200	\$ 200	\$ 117	\$37,239
	=====	=====	=====	=====	=====	=====
Net loss per share	\$ 0.01	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.12	-
	=====	=====	=====	=====	=====	=====
Weighted average shares outstanding	6,879,334	1,000	1,000	1,000	1,000	1,000
	=====	=====	=====	=====	=====	=====

SEE ACCOMPANYING NOTES

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SMI PRODUCTS, INC.
(A Development Stage Company)
STATEMENT OF STOCKHOLDER'S EQUITY from
the period June 17, 1996 (Date of Inception) to December
31, 2000
(Stated in US Dollars)

Total	Number of Shares	Amount	Contributed Surplus	Deficit Accumulated During the Development Stage
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
<C>	-----	-----	-----	-----
Issued for services - at \$0.10 \$ 100	1,000	\$ 1	\$ 99	\$ -
Net loss for the period (117)	-	-	-	(117)
-----	-----	-----	-----	-----
Balance, December 31, 1996 (17)	1,000	1	99	(117)
Net loss for the year (200)	-	-	-	(200)
-----	-----	-----	-----	-----
Balance, December 31, 1997 (217)	1,000	1	99	(317)
Net loss for the year (200)	-	-	-	(200)
-----	-----	-----	-----	-----
Balance, December 31, 1998 (417)	1,000	1	99	(517)
Net loss for the year (200)	-	-	-	(200)
-----	-----	-----	-----	-----
Balance, December 31, 1999 (617)	1,000	1	99	(717)
Forward split, 5,000 for 1 -	4,999,000	-	-	-
-----	-----	-----	-----	-----
(617)	5,000,000	1	99	(717)
Issued for cash - at \$0.01 25,000	2,500,000	2,500	22,500	-
25,500 - at \$0.50	51,000	51	25,449	-
Net loss for the year (36,522)	-	-	-	(36,522)
-----	-----	-----	-----	-----
Balance, December 31, 2000 \$13,361	7,551,000	\$2,552	\$48,048	\$(37,239)
=====	=====	=====	=====	=====

SEE ACCOMPANYING NOTES

</TABLE>

<TABLE>
<CAPTION>

SMI PRODUCTS, INC.
(A Development Stage Company)
STATEMENTS CASH FLOWS
for the years ended December 31, 2000, 1999, 1998, 1997
and the seven months ended December 31, 1996

and June 17, 1996 (Date of Inception) to December
31, 2000
(Stated in US Dollars)

1996	Years ended December 31,				7 months ended	June 17, (Date of Inception)
to	-----				December 31,	December
31,	2000	1999	1998	1997	1996	2000
<S>	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Cash flows used in operating activities						
Net loss	\$ (36,552)	\$ (200)	\$ (200)	\$ (200)	\$ (117)	\$ (37,239)
Adjustment to reconcile net loss to net cash used in operations						
Amortization	200	200	200	200	117	917
Advance receivable	(1,000)	-	-	-	-	(1,000)
Net cash used in operating activities	(37,322)	-	-	-	-	(37,322)
Cash flow used in investing activity						
Organization costs	-	-	-	-	(1,000)	(1,000)
Net cash used in investing activity	-	-	-	-	(1,000)	(1,000)
Cash flows provided by financing activity						
Common shares issued for cash	50,500	-	-	-	100	50,600
Due to related party	-	-	-	-	900	900
Net cash provided by financing activity	50,500	-	-	-	1,000	51,500
Net increase in cash	13,178	-	-	-	-	13,178
Cash, beginning of period	-	-	-	-	-	-
Cash, end of period	\$ 13,178	\$ -	\$ -	\$ -	\$ -	\$13,178

SEE ACCOMPANYING NOTES

</TABLE>

SMI PRODUCTS, INC.
(A Development Stage Company)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2000, 1999, 1998, 1997 and 1996
(Stated in US Dollars)

Note 1 Nature and Continuance of Operations

The company is in the development stage and is engaged in the business of internet real estate mortgage services.

These financial statements have been prepared on a going concern basis. The company has accumulated losses of \$37,239 since inception. Its ability to continue as a going concern is dependent upon the ability of the company to generate profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

Note 2 Summary of Significant Accounting Principles

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in the United States. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involved the use of estimates which have been made using careful judgement. Actual results may differ from these estimates.

The financial statements, in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies

summarized below:

Organization

The company was incorporated in the State of Nevada on June 17, 1996.

Development Stage Company

The company is a development stage company as defined in Statement of Financial Accounting Standards No. 7.

Organization Costs

Organization costs are recorded at cost. The company provides for amortization using the straight-line method over five years.

Income Taxes

The company uses the liability method of accounting for income taxes pursuant to Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes".

Basic Loss per Share

The company reports basic loss per share in accordance with Statement of Financial Accounting Standards No. 128, "Earnings Per Share". Basic loss per share is computed using the weighted average number of shares outstanding during the years. Diluted loss per share has not been provided as it would be antidilutive.

Note 2 Summary of Significant Accounting Principles - (cont'd)

Fair Market Value of Financial Instruments

The carrying values of cash and advance receivable approximate fair value because of the short maturity of those instruments.

Note 3 Advance Receivable

The advance receivable is unsecured, non-interest bearing with no specific terms for repayment.

Note 4 Organization Costs

<TABLE>
<CAPTION>

	Cost	Accumulated	Net Carrying Amounts				
	-----	Amortization	2000	1999	1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Incorporation fees	\$1,000 =====	\$917 =====	\$83 =====	\$283 =====	\$483 =====	\$683 =====	\$883 =====

</TABLE>

Note 5 Due to Related Party

The amount due to related party is due to a director of the company and is unsecured, non-interest bearing and has no specific terms for repayment.

Note 6 Capital Stock

Authorized:

25,000,000 common shares with a par value of \$0.001.

Note 7 Deferred Tax Assets

The Financial Accounting Standards Board issued Statement Number 109 in Accounting for Income Taxes ("FAS 109") which is effective for fiscal years beginning after December 15, 1992. FAS 109 requires the use of the asset and liability method of accounting of income taxes. Under the assets and liability method of FAS 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and loss carryforwards and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Note 7 Deferred Tax Assets - (cont'd)

The following table summarizes the significant components of the company's deferred tax assets:

	Total

Deferred Tax Assets	
Net operating loss carryforward	\$ 37,239
	=====
Gross deferred tax assets	\$ 37,239
Valuation allowance for deferred tax asset	(18,620)

	\$ 18,619
	=====

The amount taken into income as deferred tax assets must reflect that portion of the income tax loss carryforwards which is likely to be realized from future operations. The company has chosen to provide an allowance of 100% against all available income tax loss carryforwards, regardless of their time of expiry.

Note 8 Income Taxes

No provision for income taxes has been provided in these financial statements due to the net loss. At December 31, 1999, the company has net operating loss carryforwards, which expire commencing in 2016 totalling approximately \$37,239. The potential tax benefit of these losses, if any, has not been recorded in the financial statements.

Note 9 New Accounting Standard

In March 1995, Statement of Financial Accounting Standards No. 12 ("SFAS-12") "Accounting for Impairment of long-lived assets and for long-lived assets to be disposed of" was issued. Certain long-lived assets held by the company must be reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Accordingly, the impairment loss is recognized in the period it is determined. The company has adopted these standards and there was no material effect on its financial position or results of operations of the company from its adoption.

ITEM 23. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The accounting firm of Amisano Hanson, Chartered Accountants audited our financial statements. Since inception, we have had no changes in or disagreements with our accountants.

ITEM 24. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Our Articles of Incorporation and By laws provide that, to the fullest extent permitted by law, none of our directors or officers shall be personally liable to us or our shareholders for damages for breach of any duty owed to our shareholders or us. Nevada law provides that a director shall have no personal liability for any statement, vote, decision or failure to act, regarding corporate management or policy by a director, unless the director breached or failed to perform the duties of a director. A company may also protect its officers and directors from expenses associated with litigation arising from or

related to their duties, except for violations of criminal law, transactions involving improper benefit or willful misconduct. Our By-laws contain provisions

to indemnify the officers and directors of ours against any contingency or peril as may be determined to be in our best interest and in conjunction therewith, to procure, at our expense, policies of insurance.

ITEM 25. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table is an itemization of all expenses, without consideration to future contingencies, incurred or expected to be incurred by our corporation in connection with the issuance and distribution of the securities being offered by this prospectus. Items marked with an asterisk (*) represent estimated expenses. We have agreed to pay all the costs and expenses of this offering. Selling Security Holders will pay no offering expenses.

ITEM	EXPENSE
SEC Registration Fee	\$ 6.64
Legal Fees and Expenses	\$ 7,500.00
Accounting Fees and Expenses	\$ 1,500.00
Miscellaneous*	\$ 993.36
	=====
Total	\$ 10,000.00

ITEM 26. RECENT SALES OF UNREGISTERED SECURITIES

From June 1996 through December 2000, we issued 7,551,000 shares of our common stock under an exemptions from registration provided in Regulation S promulgated under the Securities Act and/or Section 4(2) of the Securities Act of 1933, as amended.

In June 1996, we issued 1,000 shares of our common stock to our founder, Philip Herr, for \$100.00 cash and his duties as the founder of the company. This transaction did not involve a public offering and was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended. Subsequently, the company approved a forward split of the total 1,000 outstanding shares on a 5,000 for 1 basis, resulting in a total of 5,000,000 shares outstanding.

In February 2000, we issued 2,500,000 shares of our common stock at a price of \$.01 per share, or aggregate cash proceeds of \$25,000.00. This transaction involved 9 foreign purchasers and was exempt from registration pursuant to Regulation S of the Securities Act of 1933, as amended, based on offshore transactions involving all non-U.S. persons in sales that took place entirely outside the U.S. This transaction also involved 2 persons in the U.S., but did not involve a public offering and was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended.

In October 2000, we issued 51,000 shares of our common stock for \$.50 per share, or aggregate cash proceeds of \$25,500. This transaction involved 50 purchasers and was exempt from registration pursuant to Regulation S of the Securities Act of 1933, as amended, based on offshore transactions involving all non-U.S. persons in sales that took place entirely outside the U.S.

ITEM 27. EXHIBITS

Exhibit Number	Exhibit Description
3.1	Articles of Incorporation
3.2	Bylaws
4	Instrument Defining the Right of Holders - Share Certificate
5	Legal Opinion
24	Consents of Experts

ITEM 28. UNDERTAKINGS

The undersigned Registrant undertakes:

1. To file, during any period in which it offers or sells securities, a post-effective amendment to this registration statement to:
 - a. Include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
 - b. Reflect in the prospectus any facts or events which, individually or

together, represent a fundamental change in the information in the registration statement;

- c. Include any additional or changed material information on the plan of distribution.
2. That, for determining liability under the Securities Act, to 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 bonafide offering.
3. To file a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering.

4. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.
5. In the event that a claim for indemnification against such liabilities, other than the payment by the Registrant of expenses incurred and paid by a director, officer or controlling person of the Registrant 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 by this registration statement, 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 by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all the requirements of filing of Form SB-2 and authorized this registration statement to be signed on its behalf by the undersigned, in the City of Houston, State of Texas, on this ____ day of February, 2001.

SMI Products, Inc.

By: /s/ JAMES CHARUK

James Charuk, President

Date: February 1, 2001

In accordance with the requirements of the Securities act of 1933, this registration statement was signed by the following persons in the capacities and on the dates stated.

/s/ JAMES CHARUK

/s/ CYNTHIA CARTER

James Charuk
Title: President & Director

Cynthia Carter
Title: Secretary, Treasurer, Chief
Financial Officer & Director

Date: February 1, 2001

Date: February 1, 2001

ARTICLES OF INCORPORATION
OF
SMI PRODUCTS, INC.

ARTICLE 1

SECTION 1.01 CORPORATION NAME. The name of the Corporation is:SMI PRODUCTS, INC.

ARTICLE 2

SECTION 2.01 PRINCIPAL OFFICE. The corporation may maintain an office, or

offices in such other place within or without the State of Nevada as may be from
time to time designated by the Board of directors, or by the By-Laws of said
Corporation, and that this Corporation may conduct all Corporation business of
every kind and nature, including the holding of all meetings of Directors and
Stockholders, outside the State of Nevada as well as within the State of Nevada.

ARTICLE 3

SECTION 3.01 NATURE OF THE BUSINESS. The initial nature of the Corporations

business is to provide consulting services to businesses. The Corporation may
engage in any lawful activity for which a corporation may be arranged under the
General Laws of Nevada.

SECTION 3.02 ADDITIONAL ACTIVITIES. The Corporation may engage in any lawful

activity including, but not limited to, the following:

- (A) Shall have the power to make contracts.
- (B) Shall have the power to purchase, hold, and sell or convey Real Property or
Personal Property. The Corporation may purchase, hold, or sell Real
Property or Personal Property in the State of Nevada or in any other State,
Territory of the United States, or any Country.
- (C) Shall have the power to appoint such officers or agents as the officers of
the corporation shall require, and shall have the power to pay compensation
for the services provided.
- (D) Shall have the power to borrow money and contract debts as necessary for
the benefit of the Corporation's business.
- (E) Shall have the power to lend money as is necessary for the benefit of the
corporation's business.
- (F) Shall have the power to enter into General or Limited Partnerships, Joint
Ventures or other business associations.
- (G) Shall have the power to make donations for the benefit of the public wel-
fare, charitable, scientific or educational purposes.

ARTICLE 4

SECTION 4.01 CAPITAL STOCK. The Corporation is authorized to issue Twenty Five

Million (25,000,000) shares of stock with a par value of \$00.001. The stock
shall be common stock.

SECTION 4.02 USE OF STOCK. The Board of Directors may fix the use of the stock

from time to time as they deem necessary for the carrying out of the Corpora-
tion's business.

ARTICLE 5

SECTION 5.01 GOVERNING BOARD. The Governing Board of the Corporation shall be

known as Directors. The Board of Directors shall be elected by the stockholders at the annual meeting, or such other time as the bylaws may provide, and shall hold office until their successors are respectively elected and qualified.

SECTION 5.02 NUMBER OF DIRECTORS. The initial Board of Directors shall number

one (1) Director. The number of Directors may from time to time be increased or decreased in such a manner as shall be provided by the By-Laws of this Corporation, providing that the number of Directors conforms to the Statutes of the Corporation Law of the State of Nevada.

SECTION 5.03 INITIAL DIRECTORS NAME AND ADDRESS. The name and post office

address of the initial Board of Director is:

Philip Herr
5025 S. McCarran Blvd., #178
Reno, NV 89502

ARTICLE 6

SECTION 6.01 ASSESSMENT OF STOCKHOLDERS FOR CORPORATE DEBT & ELIMINATING

PERSONAL LIABILITY. The Capital Stock after issuance and the subscription price

-- -----

has been paid are not assessable to pay for the debts of the Corporation. The private property of Shareholders, Directors, Officers, employees and/or Agents of the Corporation shall be forever exempt from all corporate debts of any kind whatsoever. Personal liability shall be eliminated or limited to the maximum extent allowed under NRS 78.037 for all directors, officers, or stockholders except for acts or omissions which include misconduct or

ARTICLE 7

INCORPORATORS. The name and post office address of the incorporators signing the

-- -----

articles of Incorporation are:

Johnathan Silbert
5025 S. McCarran Blvd., #178
Reno, NV 89502

ARTICLE 8

LIFE OF CORPORATION EXISTENCE. The Corporation is to have perpetual existence.

-- -----

ARTICLE 9

RESIDENT AGENT. The resident agent for this Corporation shall be:

-- -----

American Corporate Register Inc.
5025 S. McCarran Blvd., #178
Reno, NV 89502

NOTARIZATION

I hereby sign as the incorporator for the above corporation.
June 14, 1996

/s/ PHILIP HERR

Philip Herr
Incorporator

State of California)
County of San Diego) ss

On June 14, 1996, personally appeared before me, a notary public in the State of California, PHILIP HERR, personally known to me to be the person whose name is subscribed to the above instrument who acknowledges that he or she executed this instrument.

/s/ SHARON LINDE-JACKSON

Sharon Linde-Jackson
Notary Public

[Official Seal
Logo of San
Diego County
Appears Here]

Official Seal
Sharon Linde-Jackson
Notary Public-California
Comm. No. 1072104
San Diego County
My Comm. Exp. Sept. 17,
1999.

BYLAWS
OF
SMI PRODUCTS, INC.

ARTICLE 1.
OFFICES

1.1 BUSINESS OFFICE

The principal business office ("principal office") of the corporation shall be located at any place either within or without the State of Nevada as designated in the corporation's most current Annual Report filed with the Nevada Secretary of State. The corporation may have such other offices, either within or without the State of Nevada, as the Board of Directors may designate or as the business of the corporation may require from time to time. The corporation shall maintain at its principal office a copy of certain records, as specified in Section 2.14 of Article 2.

1.2 REGISTERED OFFICE

The registered office of the corporation shall be located within Nevada and may be, but need not be, identical with the principal office, provided the principal office is located within Nevada. The address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE 2.
SHAREHOLDERS

2.1 ANNUAL SHAREHOLDER MEETING

The annual meeting of the shareholders shall be held in June of each year, or at a date and time fixed by the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Nevada, such meeting shall be held on the next succeeding business day.

If the election of directors shall not be held on the day designated herein for any annual meeting of the shareholders, or at any subsequent continuation after adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as convenient.

2.2 SPECIAL SHAREHOLDER MEETINGS.

Special meetings of the shareholders, for any purpose or purposes described in the notice of meeting, may be called by the president, or by the Board of Directors, and shall be called by the president at the request of the holders of not less than one-tenth of all outstanding shares of the corporation entitled to vote on any issue at the meeting.

2.3 PLACE OF SHAREHOLDER MEETINGS

The Board of Directors may designate any place, either within or without the State of Nevada, as the place for any annual or any special meeting of the shareholders, unless by written consent, which may be in the form of waivers of notice or otherwise, all shareholders entitled to vote at the meeting designate a different place, either within or without the State of Nevada, as the place for the holding of such meeting. If no designation is made by either the Board of Directors or unanimous action of the voting shareholders, the place of meeting shall be the principal office of the corporation in the State of Nevada.

2.4 NOTICE OF SHAREHOLDER MEETING

- (a) Required Notice. Written notice stating the place, day and hour of _____ any annual or special shareholder meeting shall be delivered not less than 10 nor more than 60 days before the date of the meeting, either personally or by mail, by or at the direction of the president, the Board of Directors, or other persons calling the meeting, to each shareholder of record entitled to vote at such meeting and to any other shareholder entitled by the laws of the State of Nevada governing corporations (the "Act") or the Articles of Incorporation to receive notice of the meeting. Notice shall be deemed to be effective at the earlier of: (1) when deposited in the United States mail, addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid; (2) on the date shown on the return receipt if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; (3) when received; or (4) 5 days after deposit in the United States mail, if mailed postpaid and

correctly addressed to an address, provided in writing by the shareholder, which is different from that shown in the corporation's current record of shareholders.

(b) Adjourned Meeting. If any shareholder meeting is adjourned to a different -----
date, time, or place, notice need not be given of the new date, time, and place if the new date, time, and place is announced at the meeting before adjournment. But if a new record date for the adjourned meeting is, or must be fixed (see Section 2.5 of this Article 2) then notice must be given pursuant to the requirements of paragraph (a) of this Section 2.4, to those persons who are shareholders as of the new record date.

(c) Waiver of Notice. A shareholder may waive notice of the meeting (or any -----
notice required by the Act, Articles of Incorporation, or Bylaws), by a writing signed by the shareholder entitled to the notice, which is delivered to the corporation (either before or after the date and time stated in the notice) for inclusion in the minutes of filing with the corporate records.

A shareholder's attendance at a meeting:

- (1) waives objection to lack of notice or defective notice of the meeting unless the shareholder, at the beginning of the meeting, objects to holding the meeting or transacting business at the meeting; and
- (2) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to consideration of the matter when it is presented.

(d) Contents of Notice. The notice of each special shareholder meeting shall -----
include a description of the purpose or purposes for which the meeting is called. Except as provided in this Section 2.4(d), or as provided in the corporation's articles, or otherwise in the Act, the notice of an annual shareholder meeting need not include a description of the purpose or purposes for which the meeting is called.

If a purpose of any shareholder meeting is to consider either: (1) a proposed amendment to the Articles of Incorporation (including any restated articles requiring shareholder approval); (2) a plan of merger or share exchange; (3) the sale, lease, exchange or other disposition of all, or substantially all of the corporation's property; (4) the dissolution of the corporation; or (5) the removal of a director, the notice must so state and be accompanied by, respectively, a copy or summary of the: (a) articles of amendment; (b) plan of merger or share exchange; and (c) transaction for disposition of all, or substantially all, of the corporation's property. If the proposed corporate action creates dissenters' rights, as provided in the Act, the notice must state that shareholders are, or may be entitled to assert dissenters' rights, and must be accompanied by a copy of relevant provisions of the Act. If the corporation issues, or authorizes the issuance of shares for promissory notes or for promises to render services in the future, the corporation shall report in writing to all the shareholders the number of shares authorized or issued, and the consideration received with or before the notice of the next shareholder meeting. Likewise, if the corporation indemnifies or advances expenses to an officer or a director, this shall be reported to all the shareholders with or before notice of the next shareholder meeting.

2.5 FIXING OF RECORD DATE

For the purpose of determining shareholders of any voting group entitled to notice of or to vote at any meeting of shareholders, or shareholders entitled to receive payment of any distribution or dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors may fix in advance a date as the record date. Such record date shall not be more than 70 days prior to the date on which the particular action requiring such determination of shareholders entitled to notice of, or to vote at a meeting of shareholders, or shareholders entitled to receive a share dividend or distribution. The record date for determination of such shareholders shall be at the close of business on:

(a) With respect to an annual shareholder meeting or any special shareholder meeting called by the Board of Directors or any person specifically authorized by the Board of Directors or these Bylaws to call a meeting, the day before the first notice is given to shareholders;

- (b) With respect to a special shareholder meeting demanded by the shareholders, the date the first shareholder signs the demand;
- (c) With respect to the payment of a share dividend, the date the Board of Directors authorizes the share dividend;
- (d) With respect to actions taken in writing without a meeting pursuant to Article 2, Section 2.12), the first date any shareholder signs a consent; and
- (e) With respect to a distribution to shareholders, (other than one involving a repurchase or reacquisition of shares), the date the Board of Directors authorizes the distribution.

When a determination of shareholders entitled to vote at any meeting of shareholders has been made, as provided in this section, such determination shall apply to any adjournment thereof unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

If no record date has been fixed, the record date shall be the date the written notice of the meeting is given to shareholders.

2.6 SHAREHOLDER LIST -----

The officer or agent having charge of the stock transfer books for shares of the corporation shall, at least ten (10) days before each meeting of shareholders, make a complete record of the shareholders entitled to vote at each meeting of shareholders, arranged in alphabetical order, with the address of and the number of shares held by each. The list must be arranged by class or series of shares. The shareholder list must be available for inspection by any shareholder, beginning two business days after notice of the meeting is given for which the list was prepared and continuing through the meeting. The list shall be available at the corporation's principal office or at a place in the city where the meeting is to be held, as set forth in the notice of meeting. A shareholder, his agent, or attorney is entitled, on written demand, to inspect and, subject to the requirements of Section 2.14 of this Article 2, to copy the list during regular business hours and at his expense, during the period it is available for inspection. The corporation shall maintain the shareholder list in written form or in another form capable of conversion into written form within a reasonable time.

2.7 SHAREHOLDER QUORUM AND VOTING REQUIREMENTS -----

A majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting, unless a new record date is or must be set for that adjourned meeting.

If a quorum exists, a majority vote of those shares present and voting at a duly organized meeting shall suffice to defeat or enact any proposal unless the Statutes of the State of Nevada, the Articles of Incorporation or these Bylaws require a greater-than-majority vote, in which event the higher vote shall be required for the action to constitute the action of the corporation.

2.8 INCREASING EITHER QUORUM OR VOTING REQUIREMENTS -----

For purposes of this Section 2.8, a "supermajority" quorum is a requirement that more than a majority of the votes of the voting group be present to constitute a quorum; and a "supermajority" voting requirement is any requirement that requires the vote of more than a majority of the affirmative votes of a voting group at a meeting.

The shareholders, but only if specifically authorized to do so by the Articles of Incorporation, may adopt, amend, or delete a Bylaw which fixes a "supermajority" quorum or "supermajority" voting requirement.

The adoption or amendment of a Bylaw that adds, changes, or deletes a

"supermajority" quorum or voting requirement for shareholders must meet the same quorum requirement and be adopted by the same vote required to take action under the quorum and voting requirement then if effect or proposed to be adopted, whichever is greater.

A Bylaw that fixes a supermajority quorum or voting requirement for shareholders may not be adopted, amended, or repealed by the Board of Directors.

2.9 PROXIES -----

At all meetings of shareholders, a shareholder may vote in person, or vote by written proxy executed in writing by the shareholder or executed by his duly authorized attorney-in fact. Such proxy shall be filed with the secretary of the corporation or other person authorized to tabulate votes before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise specifically provided in the proxy or coupled with an interest.

2.10 VOTING OF SHARES -----

Unless otherwise provided in the articles, each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of shareholders.

Shares held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without the transfer of such shares into his name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but trustee shall be entitled to vote shares held by him without transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority to do so is contained in an appropriate order of the Court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares are transferred into the name of the pledgee, and thereafter, the pledgee shall be entitled to vote the shares so transferred.

Shares of its own stock belonging to the corporation or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares at any given time.

Redeemable shares are not entitled to vote after notice of redemption is mailed to the holders and a sum sufficient to redeem the shares has been deposited with a bank, trust company, or other financial institution under an irrevocable obligation to pay the holders the redemption price on surrender of the shares.

2.11 CORPORATION'S ACCEPTANCE OF VOTES -----

- (a) If the name signed on a vote, consent, waiver, or proxy appointment corresponds to the name of a shareholder, the corporation, if acting in good faith, is entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the shareholder.
- (b) If the name signed on a vote, consent, waiver, or proxy appointment does not correspond to the name of its shareholder, the corporation, if acting in good faith, is nevertheless entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the shareholder if:
 - (1) the shareholder is an entity, as defined in the Act, and the name signed purports to be that of an officer or agent of the entity;
 - (2) the name signed purports to be that of an administrator, executor, guardian or conservator representing the shareholder and, if the corporation requests, evidence of fiduciary status acceptable to the corporation has been presented with respect to the vote, consent, waiver, or proxy appointment;
 - (3) the name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the corporation requests, evidence of this status acceptable to the corporation has been presented with respect to the vote, consent, waiver or proxy appointment;

- (4) the name signed purports to be that of a pledgee, beneficial owner, or attorney-in-fact of the shareholder and, if the corporation requests, evidence acceptable to the corporation of the signatory's authority to sign for the shareholder has been presented with respect to the vote, consent, waiver, or proxy appointment; or
 - (5) the shares are held in the name of two or more persons as co-tenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of all the co-owners.
- (c) The corporation is entitled to reject a vote, consent, waiver, or proxy appointment if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder.
 - (d) The corporation and its officer or agent who accepts or rejects a vote, consent, waiver, or proxy appointment in good faith and in accordance with the standards of this Section 2.11 are not liable in damages to the shareholder for the consequences of the acceptance or rejection.
 - (e) Corporation action based on the acceptance or rejection of a vote, consent, waiver, or proxy appointment under this section is valid unless a court of competent jurisdiction determines otherwise.

2.12 INFORMAL ACTION BY SHAREHOLDERS

Any action required or permitted to be taken at a meeting of the shareholders may be taken without a meeting if one or more written consents, setting forth the action so taken, shall be signed by shareholders holding a majority of the shares entitled to vote with respect to the subject matter thereof, unless a "supermajority" vote is required by these Bylaws, in which case a "supermajority" vote will be required. Such consent shall be delivered to the corporation secretary for inclusion in the minute book. A consent signed under this Section has the effect of a vote at a meeting and may be described as such in any document.

2.13 VOTING FOR DIRECTORS

Unless otherwise provided in the Articles of Incorporation, directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present.

2.14 SHAREHOLDERS' RIGHTS TO INSPECT CORPORATE RECORDS

Shareholders shall have the following rights regarding inspection of corporate records:

- (a) Minutes and Accounting Records - The corporation shall keep, as permanent records, minutes of all meetings of its shareholders and Board of Directors, a record of all actions taken by the shareholders or Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the corporation. The corporation shall maintain appropriate accounting records.
- (b) Absolute Inspection Rights of Records Required at Principal Office - If a shareholder gives the corporation written notice of his demand at least five business days before the date on which he wishes to inspect and copy, he, or his agent or attorney, has the right to inspect and copy, during regular business hours, any of the following records, all of which the corporation is required to keep at its principal office:
 - (1) its Articles or restated Articles of Incorporation and all amendments to them currently in effect;
 - (2) its Bylaws or restated Bylaws and all amendments to them currently in effect;
 - (3) resolutions adopted by its Board of Directors creating one or more classes or series of shares, and fixing their relative rights, preferences and imitations, if shares issued pursuant to those resolutions are outstanding;
 - (4) the minutes of all shareholders' meetings, and records of all

action taken by shareholders without a meeting, for the past three years;

- (5) all written communications to shareholders within the past three years, including the financial statements furnished for the past three years to the shareholders;
- (6) a list of the names and business addresses of its current directors and officers; and
- (7) its most recent annual report delivered to the Nevada Secretary of State.

(c) Conditional Inspection Right - In addition, if a shareholder gives the

corporation a written demand, made in good faith and for a proper purpose, at least five business days before the date on which he wishes to inspect and copy, describes with reasonable particularity his purpose and the records he desires to inspect, and the records are directly connected to his purpose, a shareholder of a corporation, or his duly authorized agent or attorney, is entitled to inspect and copy, during regular business hours at a reasonable location specified by the corporation, any of the following records of the corporation:

- (1) excerpts from minutes of any meeting of the Board of Directors; records of any action of a committee of the Board of Directors on behalf of the corporation; minutes of any meeting of the shareholders; and records of action taken by the shareholders or Board of Directors without a meeting, to the extent not subject to inspection under paragraph (a) of this Section 2.14;
- (2) accounting records of the corporation; and
- (3) the record of shareholders (compiled no earlier than the date of the shareholder's demand).

(d) Copy Costs - The right to copy records includes, if reasonable, the right

to receive copies made by photographic, xerographic, or other means. The corporation may impose a reasonable charge, to be paid by the shareholder on terms set by the corporation, covering the costs of labor and material incurred in making copies of any documents provided to the shareholder.

(e) "Shareholder" Includes Beneficial Owner - For purposes of this Section

2.14, the term "shareholder" shall include a beneficial owner whose shares are held in a voting trust or by a nominee on his behalf.

2.15 FINANCIAL STATEMENTS SHALL BE FURNISHED TO THE SHAREHOLDERS.

(a) The corporation shall furnish its shareholders annual financial statements, which may be consolidated or combined statements of the corporation and one or more of its subsidiaries, as appropriate, that include a balance sheet as of the end of the fiscal year, an income statement for that year, and a statement of changes in shareholders' equity for the year, unless that information appears elsewhere in the financial statements. If financial statements are prepared for the corporation on the basis of generally accepted accounting principles, the annual financial statements for the shareholders must also be prepared on that basis.

(b) If the annual financial statements are reported upon by a public accountant, his report must accompany them. If not, the statements must be accompanied by a statement of the president or the person responsible for the corporation's accounting records:

- (1) stating his reasonable belief that the statements were prepared on the basis of generally accepted accounting principles and, if not, describing the basis of preparation; and
- (2) describing any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.

(c) A corporation shall mail the annual financial statements to each shareholder within 120 days after the close of each fiscal year. Thereafter, on written request from a shareholder who was not mailed the statements, the corporation shall mail him the latest financial statements.

2.16 DISSENTERS' RIGHTS.

Each shareholder shall have the right to dissent from and obtain payment for his shares when so authorized by the Act, Articles of Incorporation, these Bylaws, or a resolution of the Board of Directors.

2.17 ORDER OF BUSINESS.

The following order of business shall be observed at all meetings of the shareholders, as applicable and so far as practicable:

- (a) Calling the roll of officers and directors present and determining shareholder quorum requirements;
- (b) Reading, correcting and approving of minutes of previous meeting;
- (c) Reports of officers;
- (d) Reports of Committees;
- (e) Election of Directors;
- (f) Unfinished business;
- (g) New business; and
- (h) Adjournment.

ARTICLE 3.
BOARD OF DIRECTORS

3.1 GENERAL POWERS.

Unless the Articles of Incorporation have dispensed with or limited the authority of the Board of Directors by describing who will perform some or all of the duties of a Board of Directors, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of the Board of Directors.

3.2 NUMBER, TENURE AND QUALIFICATION OF DIRECTORS.

Unless otherwise provided in the Articles of Incorporation, the authorized number of directors shall be not less than 1 (minimum number) nor more than 9 (maximum number). The initial number of directors was established in the original Articles of Incorporation. The number of directors shall always be within the limits specified above, and as determined by resolution adopted by the Board of Directors. After any shares of this corporation are issued, neither the maximum nor minimum number of directors can be changed, nor can a fixed number be substituted for the maximum and minimum numbers, except by a duly adopted amendment to the Articles of Incorporation duly approved by a majority of the outstanding shares entitled to vote. Each director shall hold office until the next annual meeting of shareholders or until removed. However, if his term expires, he shall continue to serve until his successor shall have been elected and qualified, or until there is a decrease in the number of directors. Unless required by the Articles of Incorporation, directors do not need to be residents of Nevada or shareholders of the corporation.

3.3 REGULAR MEETINGS OF THE BOARD OF DIRECTORS.

A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of shareholders. The Board of Directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution. (If permitted by Section 3.7, any regular meeting may be held by telephone).

3.4 SPECIAL MEETING OF THE BOARD OF DIRECTORS.

Special meetings of the Board of Directors may be called by or at the request of the president or any one director. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Nevada, as the place for holding any special meeting of the Board of Directors or, if permitted by Section 3.7, any special meeting may be held by telephone.

3.5 NOTICE OF, AND WAIVER OF NOTICE OF, SPECIAL MEETINGS OF THE BOARD OF

DIRECTORS.

Unless the Articles of Incorporation provide for a longer or shorter period, notice of any special meeting of the Board of Directors shall be given at least two days prior thereto, either orally or in writing. If mailed, notice of any director meeting shall be deemed to be effective at the earlier of: (1) when received; (2) five days after deposited in the United States mail, addressed to the director's business office, with postage thereon prepaid; or (3) the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the director. Notice may also be given by facsimile and, in such event, notice shall be deemed effective upon transmittal thereof to a facsimile number of a compatible facsimile machine at the director's business office. Any director may waive notice of any meeting. Except as otherwise provided herein, the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or corporate records. The attendance of a director at a meeting

shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business and at the beginning of the meeting, or promptly upon his arrival, objects to holding the meeting or transacting business at the meeting, and does not thereafter vote for or assent to action taken at the meeting. Unless required by the Articles of Incorporation or the Act, neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

3.6 DIRECTOR QUORUM.

A majority of the number of directors fixed, pursuant to Section 3.2 of this Article 3, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, unless the Articles of Incorporation or the Act require a greater number for a quorum.

Any amendment to this quorum requirement is subject to the provisions of Section 3.8 of this Article 3.

Once a quorum has been established at a duly organized meeting, the Board of Directors may continue to transact corporate business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

3.7 ACTIONS BY DIRECTORS.

The act of the majority of the directors present at a meeting at which a quorum is present when the vote is taken shall be the act of the Board of Directors, unless the Articles of Incorporation or the Act require a greater percentage. Any amendment which changes the number of directors needed to take action is subject to the provisions of Section 3.8 of this Article 3.

Unless the Articles of Incorporation provide otherwise, any or all directors may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. Minutes of any such meeting shall be prepared and entered into the records of the corporation. A director participating in a meeting by this means is deemed to be present in person at the meeting.

A director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless: (1) he objects at the beginning of the meeting, or promptly upon his arrival, to holding it or transacting business at the meeting; or (2) his dissent or abstention from the action taken is entered in the minutes of the meeting; or (3) he delivers written notice of his dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation within 24 hours after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

3.8 ESTABLISHING A "SUPERMAJORITY" QUORUM OR VOTING REQUIREMENT FOR THE BOARD OF DIRECTORS.

For purposes of this Section 3.8, a "supermajority" quorum is a requirement that more than a majority of the directors in office constitute a quorum; and a "supermajority" voting requirement is one which requires the vote of more than a majority of those directors present at a meeting at which a quorum is present to be the act of the directors.

A Bylaw that fixes a supermajority quorum or supermajority voting requirement may be amended or repealed:

- (1) if originally adopted by the shareholders, only by the shareholders (unless otherwise provided by the shareholders); or
- (2) if originally adopted by the Board of Directors, either by the shareholders or by the Board of Directors.

A Bylaw adopted or amended by the shareholders that fixes a supermajority quorum or supermajority voting requirement for the Board of Directors may provide that it may be amended or repealed only by a specified vote of either the shareholders or the Board of Directors.

Subject to the provisions of the preceding paragraph, action by the Board of Directors to adopt, amend, or repeal a Bylaw that changes the quorum or voting requirement for the Board of Directors must meet the same quorum requirement and be adopted by the same vote required to take action under the quorum and voting requirement then in effect or proposed to be adopted, whichever is greater.

3.9 DIRECTOR ACTION WITHOUT A MEETING.

Unless the Articles of Incorporation provide otherwise, any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if all the directors sign a written consent describing the action taken. Such consents shall be filed with the records of the corporation. Action taken by consent is effective when the last director signs the consent, unless the consent specifies a different effective date. A signed consent has the effect of a vote at a duly noticed and conducted meeting of the Board of Directors and may be described as such in any document.

3.10 REMOVAL OF DIRECTORS.

The shareholders may remove one or more directors at a meeting called for that purpose if notice has been given that a purpose of the meeting is such removal. The removal may be with or without cause unless the Articles of Incorporation provide that directors may only be removed for cause. If cumulative voting is not authorized, a director may be removed only if the number of votes cast in favor of removal exceeds the number of votes cast against removal.

3.11 BOARD OF DIRECTOR VACANCIES.

Unless the Articles of Incorporation provide otherwise, if a vacancy occurs on the Board of Directors, excluding a vacancy resulting from an increase in the number of directors, the director(s) remaining in office shall fill the vacancy. If the directors remaining in office constitute fewer than a quorum of the Board of Directors, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office.

If a vacancy results from an increase in the number of directors, only the shareholders may fill the vacancy.

A vacancy that will occur at a specific later date (by reason of a resignation effective at a later date) may be filled by the Board of Directors before the vacancy occurs, but the new director may not take office until the vacancy occurs.

The term of a director elected to fill a vacancy expires at the next shareholders' meeting at which directors are elected. However, if his term expires, he shall continue to serve until his successor is elected and qualifies or until there is a decrease in the number of directors.

3.12 DIRECTOR COMPENSATION.

Unless otherwise provided in the Articles of Incorporation, by resolution of the Board of Directors, each director may be paid his expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a stated salary as director or a fixed sum for attendance at each meeting of the Board of Directors, or both. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

3.13 DIRECTOR COMMITTEES.

- (a) Creation of Committees. Unless the Articles of Incorporation provide
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otherwise, the Board of Directors may create one or more committees and appoint members of the Board of Directors to serve on them. Each committee must have two or more members, who serve at the pleasure of the Board of

Directors.

- (b) Selection of Members. The creation of a committee and appointment of

members to it must be approved by the greater of (1) a majority of all the
directors in office when the action is taken, or (2) the number of
directors required by the Articles of Incorporation to take such action.
- (c) Required Procedures. Sections 3.4, 3.5, 3.6, 3.7, 3.8 and 3.9 of this

Article 3 apply to committees and their members.
- (4) Authority. Unless limited by the Articles of Incorporation or the Act,

each committee may exercisethose aspects of the authority of the Board of
Directors which the Board of Directors confers upon such committee in the
resolution creating the committee. Provided, however, a committee may not:
- (1) authorize distributions to shareholders;
 - (2) approve or propose to shareholders any action that the Act
requires be approved byshareholders;
 - (3) fill vacancies on the Board of Directors or on any of its committees;
 - (4) amend the Articles of Incorporation;
 - (5) adopt, amend, or repeal Bylaws;
 - (6) approve a plan of merger not requiring shareholder approval;
 - (7) authorize or approve reacquisition of shares, except according
to a formula or method prescribed by the Board of Directors; or
 - (8) authorize or approve the issuance or sale, or contract for sale of
shares, or determine the designation and relative rights,
preferences, and limitations of a class or series of shares; except
that the Board of Directors may authorize a committee to do so within
limits specifically prescribed by the Board of Directors.

ARTICLE 4.
OFFICERS

4.1 DESIGNATION OF OFFICERS.

The officers of the corporation shall be a president, a secretary,
and a treasurer, each of whom shall be appointed by the Board of Directors. Such
other officers and assistant officers as may be deemed necessary, including any
vice-presidents, may be appointed by the Board of Directors. The same individual
may simultaneously hold more than one office in the corporation.

4.2 APPOINTMENT AND TERM OF OFFICE.

The officers of the corporation shall be appointed by the Board of
Directors for a term as determined by the Board of Directors. If no term is
specified, they shall hold office until the first meeting of the directors held
after the next annual meeting of shareholders. If the appointment of officers is
not made at such meeting, such appointment shall be made as soon thereafter as
is convenient. Each officer shall hold office until his successor has been duly
appointed and qualified, until his death, or until he resigns or has been
removed in the manner provided in Section 4.3 of this Article 4.

The designation of a specified term does not grant to the officer any
contract rights, and the Board of Directors can remove the officer at any time
prior to the termination of such term.

Appointment of an officer shall not of itself create any contract
rights.

4.3 REMOVAL OF OFFICERS.

Any officer may be removed by the Board of Directors at any time,
with or without cause. Such removal shall be without prejudice to the contract
rights, if any, of the person so removed.

4.4 PRESIDENT.

The president shall be the principal executive officer of the
corporation and, subject to the control of the Board of Directors, shall
generally supervise and control all of the business and affairs of the
corporation. He shall, when present, preside at all meetings of the

shareholders. He may sign, with the secretary or any other proper officer of the corporation thereunto duly authorized by the Board of Directors, certificates for shares of the corporation and deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed. The president shall generally perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

4.5 VICE-PRESIDENT.

If appointed, in the absence of the president or in the event of the president's death, inability or refusal to act, the vice-president (or in the event there be more than one vice-president, the vice-presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their appointment) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. If there is no vice-president, then the treasurer shall perform such duties of the president. Any vice-president may sign, with the secretary or an assistant secretary, certificates for shares of the corporation the issuance of which have been authorized by resolution of the Board of Directors. A vice-president shall perform such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

4.6 SECRETARY.

The secretary shall (a) keep the minutes of the proceedings of the shareholders and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of any seal of the corporation and, if there is a seal of the corporation, see that it is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized; (d) when requested or required, authenticate any records of the corporation; (e) keep a register of the post office address of each shareholder, as provided to the secretary by the shareholders; (f) sign with the president, or a vice-president, certificates for shares of the corporation, the issuance of which has been authorized by resolution of the Board of Directors; (g) have general charge of the stock transfer books of the corporation; and (h) generally perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

4.7 TREASURER.

The treasurer shall (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as may be selected by the Board of Directors; and (c) generally perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

If required by the Board of Directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine.

4.8 ASSISTANT SECRETARIES AND ASSISTANT TREASURERS.

The assistant secretaries, when authorized by the Board of Directors, may sign with the president, or a vice-president, certificates for shares of the corporation, the issuance of which has been authorized by a resolution of the Board of Directors. The assistant treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The assistant secretaries and assistant treasurers, generally, shall perform such duties as may be assigned to them by the secretary or the treasurer, respectively, or by the president or the Board of Directors.

4.9 SALARIES.

The salaries of the officers, if any, shall be fixed from time to time by the Board of Directors.

INDEMNIFICATION OF DIRECTORS, OFFICERS, AGENTS,
AND EMPLOYEES

5.1 INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS.

Unless otherwise provided in the Articles of Incorporation, the corporation shall indemnify any individual made a party to a proceeding because he is or was an officer, director, employee or agent of the corporation against liability incurred in the proceeding, all pursuant to and consistent with the provisions of NRS 78.751, as amended from time to time.

5.2 ADVANCE EXPENSES FOR OFFICERS AND DIRECTORS.

The expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding shall be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding, but only after receipt by the corporation of an undertaking by or on behalf of the officer or director on terms set by the Board of Directors, to repay the expenses advanced if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the corporation.

5.3 SCOPE OF INDEMNIFICATION.

The indemnification permitted herein is intended to be to the fullest extent permissible under the laws of the State of Nevada, and any amendments thereto.

ARTICLE 6.
CERTIFICATES FOR SHARES AND THEIR TRANSFER

6.1 CERTIFICATES FOR SHARES.

(a) Content

Certificates representing shares of the corporation shall at minimum, state on their face the name of the issuing corporation; that the corporation is formed under the laws of the State of Nevada; the name of the person to whom issued; the certificate number; class and par value of shares; and the designation of the series, if any, the certificate represents. The form of the certificate shall be as determined by the Board of Directors. Such certificates shall be signed (either manually or by facsimile) by the president or a vice-president and by the secretary or an assistant secretary and may be sealed with a corporate seal or a facsimile thereof. Each certificate for shares shall be consecutively numbered or otherwise identified.

(b) Legend as to Class or Series

If the corporation is authorized to issue different classes of shares or different series within a class, the designations, relative rights, preferences, and limitations applicable to each class and the variations in rights, preferences, and limitations determined for each series (and the authority of the Board of Directors to determine variations for future series) must be summarized on the front or back of the certificate indicating that the corporation will furnish the shareholder this information on request in writing and without charge.

(c) Shareholder List

The name and address of the person to whom the shares are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation.

(d) Transferring Shares

All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed, or mutilated certificate, a new one may be issued therefor upon such terms as the Board of Directors may prescribe, including indemnification of the corporation and bond requirements.

6.2 REGISTRATION OF THE TRANSFER OF SHARES.

Registration of the transfer of shares of the corporation shall be made only on the stock transfer books of the corporation. In order to register a transfer, the record owner shall surrender the share certificate to the corporation for cancellation, properly endorsed by the appropriate person or persons with reasonable assurances that the endorsements are genuine and effective. Unless the corporation has established a procedure by which a beneficial owner of shares held by a nominee is to be recognized by the corporation as the owner, the person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes.

6.3 RESTRICTIONS ON TRANSFER OF SHARES PERMITTED. -----

The Board of Directors may impose restrictions on the transfer or registration of transfer of shares, including any security convertible into, or carrying a right to subscribe for or acquire shares. A restriction does not affect shares issued before the restriction was adopted unless the holders of the shares are parties to the restriction agreement or voted in favor of the restriction.

A restriction on the transfer or registration of transfer of shares may be authorized:

- (1) to maintain the corporation's status when it is dependent on the number or identity of its shareholders;
- (2) to preserve exemptions under federal or state securities law; or
- (3) for any other reasonable purpose.

A restriction on the transfer or registration of transfer of shares may:

- (1) obligate the shareholder first to offer the corporation or other persons (separately, consecutively, or simultaneously) an opportunity to acquire the restricted shares;
- (2) obligate the corporation or other persons (separately, consecutively, or simultaneously) to acquire the restricted shares;
- (3) require the corporation, the holders or any class of its shares, or another person to approve the transfer of the restricted shares, if the requirement is not manifestly unreasonable; or
- (4) prohibit the transfer of the restricted shares to designated persons or classes of persons, if the prohibition is not manifestly unreasonable.

A restriction on the transfer or registration of transfer of shares is valid and enforceable against the holder or a transferee of the holder if the restriction is authorized by this Section 6.3 and its existence is noted conspicuously on the front or back of the certificate. Unless so noted, a restriction is not enforceable against a person without knowledge of the restriction.

6.4 ACQUISITION OF SHARES. -----

The corporation may acquire its own shares and unless otherwise provided in the Articles of Incorporation, the shares so acquired constitute authorized but unissued shares.

If the Articles of Incorporation prohibit the reissue of shares acquired by the corporation, the number of authorized shares is reduced by the number of shares acquired, effective upon amendment of the Articles of Incorporation, which amendment shall be adopted by the shareholders, or the Board of Directors without shareholder action (if permitted by the Act). The amendment must be delivered to the Secretary of State and must set forth:

- (1) the name of the corporation;
- (2) the reduction in the number of authorized shares, itemized by class and series; and
- (3) the total number of authorized shares, itemized by class and series, remaining after reduction of the shares.

DISTRIBUTIONS

7.1 DISTRIBUTIONS.

The Board of Directors may authorize, and the corporation may make, distributions (including dividends on its outstanding shares) in the manner and upon the terms and conditions provided by law.

ARTICLE 8.
CORPORATE SEAL

8.1 CORPORATE SEAL.

The Board of Directors may adopt a corporate seal which may be circular in form and have inscribed thereon any designation, including the name of the corporation, Nevada as the state of incorporation, and the words "Corporate Seal."

ARTICLE 9.
EMERGENCY BYLAWS

9.1 EMERGENCY BYLAWS.

Unless the Articles of Incorporation provide otherwise, the following provisions shall be effective during an emergency, which is defined as a time when a quorum of the corporation's directors cannot be readily assembled because of some catastrophic event. During such emergency:

(a) Notice of Board Meetings

Any one member of the Board of Directors or any one of the following officers: president, any vice-president, secretary, or treasurer, may call a meeting of the Board of Directors. Notice of such meeting need be given only to those directors whom it is practicable to reach, and may be given in any practical manner, including by publication and radio. Such notice shall be given at least six hours prior to commencement of the meeting.

(b) Temporary Directors and Quorum

One or more officers of the corporation present at the emergency board meeting, as is necessary to achieve a quorum, shall be considered to be directors for the meeting, and shall so serve in order of rank, and within the same rank, in order of seniority. In the event that less than a quorum (as determined by Section 3.6 of Article 3) of the directors are present (including any officers who are to serve as directors for the meeting), those directors present (including the officers serving as directors) shall constitute a quorum.

(c) Actions Permitted To Be Taken

The Board of Directors, as constituted in paragraph (b), and after notice as set forth in paragraph (a), may:

(1) Officers' Powers

Prescribe emergency powers to any officer of the corporation;

(2) Delegation of Any Power

Delegate to any officer or director, any of the powers of the Board of Directors;

(3) Lines of Succession

Designate lines of succession of officers and agents, in the event that any of them are unable to discharge their duties;

(4) Relocate Principal Place of Business

Relocate the principal place of business, or designate successive or simultaneous principal places of business;

(5) All Other Action

Take any other action which is convenient, helpful, or necessary to carry on the business of the corporation.

ARTICLE 10.
AMENDMENTS

10.1 AMENDMENTS

The Board of Directors may amend or repeal the corporation's Bylaws unless:

- (1) the Articles of Incorporation or the Act reserve this power exclusively to the shareholders, in whole or part; or
- (2) the shareholders, in adopting, amending, or repealing a particular Bylaw, provide expressly that the Board of Directors may not amend or repeal that Bylaw; or
- (3) the Bylaw either establishes, amends or deletes a "supermajority" shareholder quorum or voting requirement, as defined in Section 2.8 of Article 2.

Any amendment which changes the voting or quorum requirement for the Board of Directors must comply with Section 3.8 of Article 3, and for the shareholders, must comply with Section 2.8 of Article 2.

The corporation's shareholders may also amend or repeal the corporation's Bylaws at any meeting held pursuant to Article 2.

CERTIFICATE OF SECRETARY

I hereby certify that I am the Secretary of SMI PRODUCTS, INC. and that the foregoing Bylaws, consisting of nineteen (19) pages, constitutes the Code of SMI PRODUCTS, INC. as duly adopted by the Board of Directors of the corporation on this 20th day of June, 1996.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 20th day of June, 1996.

Secretary

Number
0

[Picture of Eagle Appears Here]

Shares

See Reverse for
Certain Definitions

Incorporated under the laws of the State of Nevada
SMI PRODUCTS, INC.
Total Authorized Issue
25,000 Shares Without Par Value
Common Stock
SPECIMEN

This is to certify that _____ is the owner of
_____ fully paid and
non-assessable shares of the above Corporation transferable only on the books of
the Corporation by the holder thereof in person or by a duly authorized Attorney
upon surrender of this Certificate properly endorsed.

Witness, the seal of the Corporation and the signatures of its duly authorized
officers.

[Seal of Corporation Appears Here]

Dated

Secretary President

MICHAEL J. MORRISON
ATTORNEY AND COUNSELOR AT LAW

1495 RIDGEVIEW DRIVE. SUITE 220
RENO. NEVADA 69509
(775) 827-6300
FAX (775) 827-6311
E-MAIL MORRISONLAW@PYRAMID.NET
WEBSITE: WWW.VENTURELAWUSA.COM

February 2, 2001

SMI Products, Inc.
3503 Cedar Locust
Sugarland, TX 77479

RE: Form SB-2 Registration statement for 2,516,000
Shares of Common Stock

Dear Officers and Directors:

I have acted as counsel to SMI Products, Inc. (the "Company") in connection with the registration of 2,516,000 Shares of the Company's Common Stock, pursuant to a Registration Statement on Form SB-2 (the "Registration Statement"). You have requested my opinion as to certain matters in connection with said Registration Statement.

In my capacity as counsel to the Company, I have examined and am familiar with the originals or copies, the authenticity of which have been established to my satisfaction, of all documents, corporate records and other instruments I have deemed necessary to express the opinions hereinafter set forth.

Based on the foregoing, and upon consideration of applicable law, it is my opinion that the 2,516,000 Shares to be registered by the Company are duly authorized, validly issued, fully paid and non-assessable.

Furthermore, I consent to the use of this opinion as an Exhibit to the Registration Statement and to the use of my name in such Registration Statement, and the Prospectus included therein, under the heading "Legal Matters".

Very truly yours,

/S/ Michael J. Morrison

Michael J. Morrison, Esq.

Terry Amisano Ltd.
Kevin Hanson, CA

AMISANO HANSON
CHARTERED ACCOUNTANTS

CONSENT OF INDEPENDENT CHARTERED ACCOUNTANTS

We hereby consent to the use in the Registration Statement on Form SB-2 for SMI Products, Inc., of our report dated January 2, 2001 relating to the December 31, 2000, 1999, 1998, 1997 and 1996 financial statements, which appears in such Registration Statement.

/s/ AMISANO HANSON

Amisano Hanson, Chartered Accountants

Vancouver, BC, Canada
February 5, 2001

Suite 404 - 750 West Bender Street
Vancouver, Canada
VBC 297

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