

# FRONTERA INVESTMENT, INC.

An Arizona Corporation

## INFORMATION AND DISCLOSURE STATEMENT UPDATE FOR QUARTER ENDED SEPTEMBER 30, 2008

Item I. The Exact name of the Issuer and address of its principal offices.

Frontera Investment, Inc.  
7094 Miratech Drive  
Suite 100  
San Diego, CA 92121

Telephone: (858) 549-7061  
Facsimile: (858) 549-7195

Website: [www.fronterainvestment.com](http://www.fronterainvestment.com)

Investor Relations: None

Item 2. Shares Outstanding.

Common Stock, no par, information as of the end of the issuer's most recent fiscal quarter and as of the last two fiscal years.

As of	<u>Sep 30, 2008</u>	<u>Dec 31, 2007</u>	<u>Dec 31, 2006</u>
Number of shares authorized –	100,000,000	100,000,000	100,000,000
Number of shares outstanding	62,229,722	2,450,681 (1)	2,450,681 (1)
Freely tradable shares	8,044,674	1,409,838 (1)	1,409,838 (1)
Number of beneficial owners	12	4	4
Number of shareholders of record	2,450	2,400	2,400

(1) Adjusted for one for fifteen reverse stock split through Bidnow.com, Inc.

Preferred shares as of the end of the issuer's most recent fiscal quarter and as of the last two year fiscal years.

Series A Preferred Shares – 4,000,000 authorized (\$1.00 Par Value) no shares issued or outstanding at any time.

Series B Preferred Shares – 6,000,000 authorized (\$1.00 Par Value) all 6,000,000 shares issued and outstanding as of December 31, 2007 and 2006 had been converted to common shares during March 2008.

As of	<u>June 30, 2008</u>	<u>Dec 31, 2007</u>	<u>Dec 31, 2006</u>
Number of shares authorized –	6,000,000	6,000,000	6,000,000
Number of shares outstanding	0	6,000,000 (2)	6,000,000 (2)

In March 2008, the Company issued shares (numbers reflected subsequent to a one for fifteen reverse stock split) as follows:

- (1) 6,000,000 shares of common stock were issue as a result of conversion of all issued and outstanding Series B Preferred shares. The issuance was completed without any public offering in accordance with Section 4(2) and Regulation D promulgated under the Securities Act of 1933, as amended.
- (2) 2,830,000 shares of common stock were issued in full settlement of all outstanding obligations of Bidnow.com, Inc. The issuance was completed without any public offering in accordance with Section 4(2) and Regulation D promulgated under the Securities Act of 1933, as amended.
- (3) 39,727,297 shares of common stock were issued to shareholders of Frontera Investment, Inc. (Nevada Corporation) as a result of a Stock Purchase and Subscription Agreement between Bidnow.com, Inc. and the shareholders of Frontera Investment, Inc. (the Nevada Corporation). The issuance was completed without any public offering in accordance with Section 4(2) and Regulation D promulgated under the Securities Act of 1933, as amended.

Subsequent to the above, the Company sold shares of common stock during the first nine months of fiscal 2008 as follows:

- (4) The Company sold \$763,535 of 10% Convertible Notes during the nine months ended September 30, 2008 and all were immediately converted to common stock at \$0.15 per share, or 5,090,230 shares.
- (5) The Company sold common stock during the same period at \$0.15 per share totaling \$916,330, or 6,108,879 shares, mostly to officers, directors and friends and family. An additional 22,636 shares were issued as a result of rounding existing Bidnow, Inc. shareholders in the prior reverse split to no less than 100 shares.
- (6) The above issuances were completed without any public offering in accordance with Section 4(2) and Regulation D promulgated under the Securities Act of 1933, as amended.

There were no other securities issued.

Item 3. Interim Financial Statements.

Unaudited Financial Statements, prepared by Management of the issuer, Balance Sheet, Statement of Operation, Statement of Cash Flow and related footnotes, for the three and nine months ending September 30, 2008 are attached as Exhibit A.

Item 4. Management's Discussion and Analysis.

Quarter ended September 30, 2008

The Company operated a total of seven stores as of September 30, 2008.

As of September 30, 2008 cash in banks and in stores totaled \$371,416. During the quarter ended September 30, 2008 the Company sold \$375,300 in 10% Senior Subordinated Convertible Notes which convert to common at option of the holder at \$0.15 per share. These notes were converted to 2,479,363 shares of common stock at \$0.15 per share during the quarter.

The Company closed the purchase on June 13, 2008 of a new store in Oxnard, CA for a total purchase price of \$572,500 in cash. Under the terms of the purchase agreement, the previous owner continued to operate the store through August 31, 2008. The Company took over operations on September 1, 2008.

Total revenues for the quarter ended September 30, 2008 totaled \$1,836,619. Proceeds from the disposition of merchandise totaled \$1,490,241 and included \$1,463,594 from the sale of trolley tickets (monthly passes and daily tickets) at the Company's store in San Ysidro, CA (at the US-Mexico border crossing) that was acquired on January 17, 2007. Fees for services (check cashing, money transfer, pawn and payday fees, etc.) totaled \$346,376.

Earnings before interest, taxes, depreciation and amortization from store operations totaled \$140,857 for the three months ended September 30, 2008.

Year to Date ended September 30, 2008

The Company operated a total of five stores at the beginning of 2008. Two stores were acquired during the year, both in Ventura County, California for a total combined purchase price of \$975,500.

Total revenues for the nine months ended September 30, 2008 totaled \$5,045,416. Proceeds from the disposition of merchandise totaled \$4,182,737 and included \$4,135,590 from the sale of trolley tickets (monthly passes and daily tickets) at the Company's store in San Ysidro, CA (at the US-Mexico border crossing) that was acquired on January 17, 2007. Fees for services (check cashing, money transfer, pawn and payday fees, etc.) totaled \$862,679.

Earnings before interest, taxes, depreciation and amortization from store operations totaled \$290,073 for the nine months ended September 30, 2008.

Frontera Investment, Inc. merged its operations and assets into a publicly held company, Bidnow.com, Inc., an Arizona company, on March 16, 2008. Bidnow.com, Inc. agreed to issue 2,830,000 shares of common stock and pay cash totaling \$275,000 in full settlement of all outstanding obligations that arose in prior years. As these obligations arose in prior years, this obligation was recorded against retained earnings totaling \$982,500, or 2,830,000 shares at \$0.25 per share plus the cash obligation. A total of 39,727,297 shares of common stock were issued to shareholders of Frontera Investment, Inc. (Nevada Corporation) as a result of a Stock Purchase and Subscription Agreement between Bidnow.com, Inc. and the shareholders of Frontera Investment, Inc. (the Nevada Corporation).

During the nine months ended September 30, 2008, the Company sold \$916,330 in common stock at \$0.15 per share, or 6,108,879 shares, to several officers and members of the Board and sold \$763,535 in 10% Senior Subordinated Convertible Notes which convert to common at option of either the holder or the Company at 50% of average closing price for the 10 days prior to exercise, but no less than \$0.15 per share. All of these Notes were converted to 5,090,230 shares of common stock at \$0.15 per share prior to September 30, 2008. An additional 22,636 shares were issued in connection with the 15:1 reverse stock split authorized by Bidnow, Inc. Board of Directors that was effective immediately prior to the Reverse Merger that was completed on March 16, 2008 and issued to Bidnow, Inc shareholders. The Company also raised \$100,000 on a 10% Promissory Note to one Board member due May 1, 2010.

Item 6. Legal Proceedings.

None.

Item 6. Defaults Upon Senior Securities.

None.

Item 7. Other Information.

None.

Item 8. Exhibits.

Exhibit A. Frontera Investment, Inc. and Subsidiaries Unaudited Condensed Consolidated Financial Statements for the Quarter and Nine Months Ended September 30, 2008.

Item 9. Issuer's Certifications.

I, Gil Partida, CEO and Director, certify that:

1. I have reviewed this initial disclosure statement of Frontera Investment, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 12, 2008

/s/ Gil Partida

Gil Partida, CEO and Director

I, Allan Youngberg, EVP and Chief Financial Officer and Director, certify that:

1. I have reviewed this initial disclosure statement of Frontera Investment, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 12, 2008

/s/ Allan Youngberg

Allan Youngberg, EVP Chief Financial Officer and Director

**Frontera Investment, Inc. and Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements and Notes**  
**for the Quarter and Nine Months Ended September 30, 2008**

**Frontera Investment, Inc. and Subsidiaries**  
**An Arizona Corporation**  
**Unaudited Condensed Consolidated Balance Sheets**

	<u>September 30,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>
	<u>(unaudited)</u>	<u>(pro forma)</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 371,416	\$ 605,960
Receivables, Net	489,396	96,120
Inventories	223,282	221,615
Other Current Assets	269,513	52,706
<b>Total Current Assets</b>	<u>1,353,607</u>	<u>976,401</u>
 <b>Fixed Assets, Net</b>	 635,414	 530,870
 <b>Other Assets</b>		
Deposits	87,499	145,171
Deferred Tax Assets	877,100	700,000
Goodwill and Other	1,562,246	555,450
<b>Total Other Assets</b>	<u>2,526,845</u>	<u>1,400,621</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,515,866</u></u>	<u><u>\$ 2,907,892</u></u>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 583,798	392,314
Accrued Expenses	143,018	13,599
ACH Clearing	196,695	81,739
Notes Payable	-	191,000
Long-Term Debt - Current Portion	177,608	52,608
<b>Total Current Liabilities</b>	<u>\$ 1,101,119</u>	<u>\$ 1,006,317</u>
Long-Term Debt - Net of Current Portion	662,469	558,905
<b>Total Liabilities</b>	<u>1,763,588</u>	<u>1,565,230</u>
 <b>Stockholders' Equity</b>		
Series A - Preferred Stock, \$1.00 Par Value; 4,000,000 Shares Authorized	-	-
Series B - Preferred Stock, \$1.00 Par Value; 6,000,000 Shares Authorized	-	-
Common Stock, No Par; 100,000,000 Shares Authorized; 62,229,722 and 51,007,977 Shares Issued and Outstanding as of September 30, 2008 and December 31, 2007, respectively	13,621,143	11,941,278
Retained Deficit	(10,868,865)	(10,598,616)
<b>Total Stockholders' Equity</b>	<u>2,752,278</u>	<u>1,342,662</u>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<u><u>\$ 4,515,866</u></u>	<u><u>\$ 2,907,892</u></u>

See Notes to Unaudited Condensed Consolidated Financial Statements.

**Frontera Investment, Inc. and Subsidiaries**  
**An Arizona Corporation**  
**Unaudited Condensed Consolidated Statement of Operations**

	<b>Three Months Ended September 30, 2008</b>	<b>Nine Months Ended September 30, 2008</b>
<b>Revenues:</b>		
<b>Proceeds from Disposition of Merchandise</b>	\$ 1,490,241	\$ 4,182,737
<b>Fees for Services</b>	346,376	862,679
<b>Total Revenues</b>	1,836,617	5,045,416
<b>Disposition of Merchandise</b>	1,420,256	4,014,765
<b>Direct Cost of Services</b>	9,302	19,272
<b>Gross Profit</b>	407,059	1,011,379
<b>Expenses:</b>		
<b>Store Operating Expenses</b>	208,389	561,927
<b>Bad debts</b>	13,750	41,012
<b>Store Rents</b>	44,846	118,367
<b>Store Depreciation</b>	35,977	100,287
<b>Total Store Expenses</b>	302,962	821,593
<b>Net Store Profit</b>	104,097	189,786
<b>Store Pre-Opening Expenses</b>	9,601	17,083
<b>Corporate Expenses</b>	187,875	558,639
<b>Ordinary Loss</b>	(93,379)	(385,936)
<b>Interest Expense</b>	(18,307)	(61,413)
<b>Net Loss before Income Taxes</b>	(111,686)	(447,349)
<b>Income Tax Benefit</b>	51,400	177,100
<b>Net Loss</b>	\$ (60,286)	\$ (270,249)
<b>Basic and Diluted Net Loss Per Share</b>	\$ (0.001)	\$ (0.005)
<b>Weighted Average Number of Shares Outstanding</b>	60,990,041	56,618,850

See Notes to Unaudited Condensed Consolidated Financial Statements.

**Frontera Investment, Inc. and Subsidiaries**  
**An Arizona Corporation**  
**Unaudited Condensed Consolidated Statement of Cash Flow**

	<b>Nine Months  Ended  September 30,  2008</b>
<b>Net Loss:</b>	\$ (270,249)
<b>Adjustments to reconcile Net Loss to net cash provided by operations:</b>	
<b>Change in Deferred Tax Assets</b>	(177,100)
<b>Depreciation and Amortization</b>	116,186
<b>Change in Other Operating Assets and Liabilities:</b>	
Receivables	(393,276)
Inventories	(1,667)
Accounts Payable	191,487
ACH Clearing	114,956
Other Assets and Liabilities	(198,656)
<b>Net cash used in Operating Activities</b>	(618,319)
<b>Investing Activities:</b>	
Purchase of Fixed Assets	(212,794)
Decrease in Deposits	49,736
Increase in Goodwill and Acquisition Related Costs	(1,006,796)
<b>Net cash used in Investing Activities</b>	(1,169,854)
<b>Financing Activities:</b>	
Repayment of Notes Payable	(41,000)
Net Proceeds from Common Stock Issuance	1,679,865
Increase in Stock Subscription Receivable	(163,800)
Repayment of Long Term Debt	(65,002)
Proceeds from Long Term Debt	143,566
<b>Net cash provided by Financing Activities</b>	1,553,629
<b>Net decrease in cash:</b>	(234,544)
<b>Cash at beginning of period</b>	605,960
<b>Cash at end of period</b>	\$ 371,416

See Notes to Unaudited Condensed Consolidated Financial Statements.

**Frontera Investment, Inc. and Subsidiaries**  
**An Arizona Corporation**  
**Unaudited Pro Forma Condensed Consolidated Statements of Stockholders' Equity**

	Common Stock		Retained Deficit	Stockholders' Equity
	Shares	Amount		
<b>Balance, December 31, 2007</b>	51,007,977	\$ 11,941,278	\$ (10,598,616)	\$ 1,342,662
Share Rounding from split	22,636			
Issuance of Common Stock	1,401,388	210,000	-	210,000
Net Loss	-	-	(118,778)	(118,778)
<b>Balance, March 31, 2008</b>	<u>52,432,001</u>	<u>\$ 12,151,278</u>	<u>\$ (10,717,394)</u>	<u>\$ 1,433,884</u>
Issuance of Common Stock	7,318,358	1,094,565	-	\$ 1,094,565
Net Loss	-	-	(91,185)	(91,185)
<b>Balance, June 30, 2008</b>	<u>59,750,359</u>	<u>\$ 13,245,843</u>	<u>\$ (10,808,579)</u>	<u>\$ 2,437,264</u>
Issuance of Common Stock	2,479,363	\$ 375,300	-	\$ 375,300
Net Loss	-	-	(60,286)	(60,286)
<b>Balance, September 30, 2008</b>	<u>62,229,722</u>	<u>\$ 13,621,143</u>	<u>\$ (10,868,865)</u>	<u>\$ 2,752,278</u>

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements.

## **Frontera Investment, Inc. and Subsidiaries**

### **Notes to Interim Unaudited Condensed Consolidated Financial Statements**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES:**

##### Organization and Nature of Operations

On March 16, 2008 Frontera Investment, Inc., and its subsidiaries (the "Company"), which provides check cashing, money transfer, gold pawn loans and payday advances and related products and services, merged its business operations and assets into Bidnow.com, Inc. (the "Reverse Merger"). On April 10, 2008, Bidnow.com, Inc.'s name was changed to Frontera Investment, Inc. On April 15, 2008 the Company announced a new ticker symbol of "FRNV" which is traded over the counter on NASDAQ.

##### Basis of Presentation

The accompanying Interim Unaudited Condensed Consolidated Balance Sheet as of September 30, 2008 and the Interim Unaudited Condensed Consolidated Statement of Operations and Statement of Cash Flows for the three months and nine months ended September 30, 2008 have been internally prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-QSB and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements, but include only those footnotes deemed by management to be material to the reader of the financial statements. All material intercompany balances and transactions have been eliminated.

Provided the overall material nature and timing of the Reverse Merger, the Unaudited Pro Forma Condensed Consolidated Balance Sheet as of December 31, 2007 is presented "as if" the Reverse Merger; conversion of all Preferred Shares to common; and the one for fifteen reverse stock split that was completed in March 2008, all occurred at the beginning of the periods presented.

The preparation of financial statements in conformity with GAAP requires the use of estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. In the opinion of management, the accompanying financial statements include all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the financial condition, results of operations and cash flows for the periods presented. The accompanying financial statements are not necessarily indicative of what the actual financial position or results of operations of the combined companies would have been as of the date or for the periods indicated, nor do they purport to represent the financial position or results of operations of the combined companies as of or for any future period.

##### Cash and Cash Equivalents

Cash and cash equivalents represents cash at the Company's stores and in bank accounts. No amounts are restricted.

### Inventories

Inventories consist primarily of mass transit tickets for a local governmentally run enterprise fund and are stated at cost. The Company purchases and sells the mass transit tickets for one of its locations, which are typically purchased in advance at each month end, and sold through within a 30 day period. Any resulting loss of inventory or “shrink” is not material and expensed as incurred.

### Receivables

Receivables consist primarily of gold secured pawn loans totaling \$392,000 and unsecured payday advances totaling \$79,000. Historically, the Company has consistently covered its loan and fees receivable on defaulted gold secured pawn loans by selling the gold to a refiner.

### Cumulative Losses

The Company has incurred cumulative losses since inception (2003) of \$2.2 million through September 30, 2008, excluding the benefit from an \$877,100 tax benefit from these losses (excluding losses incurred by Bidnow.com, Inc.). The Company believes that the tax benefits will be realized as mature profitable stores are acquired and existing stores continue to increase in profitability. Realization values may be substantially different from the carrying values as shown in these financial statements should the Company be unable to continue as a going concern.

Management has sold common stock totaling \$2.0 million during the period from October 1, 2007 through September 30, 2008 to support working capital needs and new store acquisitions. Management will need to continue to raise equity to support both working capital needs and new stores planned for the remainder of 2008 and into first quarter 2009.

### Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (the “FASB”) issued “SFAS No. 157, *Fair Value Measurements*.” SFAS No. 157 prescribes a single definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company does not believe the adoption of SFAS No. 157 will have a material impact on its financial condition or results of operations. SFAS No. 157 is effective for the Company’s interim reporting period beginning January 1, 2008.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. This statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The Company does not believe the adoption of SFAS No. 159 will have a material impact on its financial condition or results of operations. SFAS No. 159 is effective for the Company’s interim reporting period beginning January 1, 2008.

### Revenue Recognition

The Company's revenue is primarily generated through products and services offered at its locations, which is primarily conducted with cash or cash equivalents. The exception is Pawn and Payday receivables which as of September 30, 2008 includes reserves for anticipated losses. For all other services, the Company generally receives payments during the month in which services are provided, the allowance account is typically not significant in comparison to total revenues and does not have a material impact on the presentation or the financial condition or results of operations or cash flows.

## **2. ACQUISITIONS AND NEW STORE LEASES**

In August 2008, the Company entered into a 5-year lease with renewal options for a new store location in Mecca California. This store is inside an ARCO AM/PM Travel Center and opened October 24, 2008.

In June 2008, the Company acquired an existing store in Ventura County, California under a 5-year lease with renewal options and began operations on September 1, 2008. The purchase price was for \$572,500. The Company paid \$572,500 in cash and allocated \$100,000 to a non-compete agreement; \$5,000 to equipment and \$467,500 to Goodwill.

In May 2008, the Company entered into a 5-year lease with renewal options for a new store location in Dinuba California. This will be a new store and is planned to be operational by early 2009.

In March 2008, the Company acquired an existing store in Ventura County, California under a 5-year lease with renewal options and converted the store to its current operating model. The purchase price was for \$403,000. The Company paid \$403,000 in cash and the total purchase price was allocated to Goodwill.

In January 2007, the Company acquired an existing store in San Diego County, assumed a long-term lease and converted the store to its current operating model. The purchase price was for \$525,000. The Company paid \$400,000 in cash and related transaction costs and entered into a promissory note with the seller of \$125,000, 8% per annum, payable monthly, and is due July 2009. The total purchase price was allocated \$47,000 to equipment and \$478,000 to Goodwill.

In August 2007, the Company acquired an existing store, entered into a 5-year lease and converted the location to its current operating model. The purchase price was for \$75,000 in cash. The total purchase price was allocated to Goodwill.

Frontera Investment, Inc. and Subsidiaries  
Notes to Interim Unaudited Condensed Consolidated Financial Statements

### 3. Notes Payable

Notes Payable consists of the following at:

	September 30, 2008 <u>(Unaudited)</u>	December 31, 2007 <u>(Unaudited)</u>
\$150,000, 8% per annum, Payable \$2,500 plus interest Quarterly, Unsecured Promissory Note with Warrants, Due 10/09	\$ -	\$ 150,000
\$56,000, 0%, Unsecured Note Payable (Related Party)	<u>-</u>	<u>41,000</u>
Total	<u>\$ -</u>	<u>\$ 191,000</u>

### 4. Debt

Debt consists of the following at:

	September 30, 2008 <u>(Unaudited)</u>	December 31, 2007 <u>(Unaudited)</u>
\$150,000, 8% per annum, Payable Quarterly, Unsecured Promissory Note with Warrants, Due 10/10	\$ 147,500	\$ -
\$100,000, 12% per annum payable in common stock quarterly, due May 1, 2010. Note is payable to a Board member.	100,000	-
\$200,000, Prime +1%, Payable Monthly, Secured Term Loan, Due 4/17	188,431	199,416
\$207,500, Prime +2.5%, Payable Monthly, Secured Term Loan, Due 10/09	163,326	193,340
\$125,000, 10% per annum, Payable Monthly, Secured Promissory Note, Due 7/09	125,000	125,000
Leases, various	<u>115,820</u>	<u>93,765</u>
Total Debt	840,077	611,521
Less current maturities	<u>(177,608)</u>	<u>(52,608)</u>
Long-term debt	<u>\$ 662,469</u>	<u>\$ 558,913</u>

### 5. Equity

The Company sold \$1,679,865 of common stock, or 11,199,109 shares, at \$0.15 per share during the nine months ended September 30, 2008. A total of \$916,330, or 6,108,879 shares, were sold to officers, directors and friends and family and \$763,535, or 5,090,230 shares was sold through a Private Placement Offering dated March 31, 2008. Subsequent to September 30, 2008, a total of \$98,800 was collected in stock subscription agreements outstanding that totaled \$208,800 as of September 30, 2008.

### 6. Subsequent Events

In October 2008, the Company closed one of its two remaining McDonalds' embedded stores that were planned for relocation or closure by December 31, 2008.

Frontera Investment, Inc. and Subsidiaries  
Notes to Interim Unaudited Condensed Consolidated Financial Statements

In November 2008, the Company entered into its second long term lease agreement with an ARCO AM/PM Travel Center in Perris California and expects this store to open by mid December 2008.

In November 2008, the Company entered into a long term lease agreement to relocate the Company's remaining embedded McDonalds' store to a nearby shopping center.

In November 2008, the Company entered into escrow for the purchase of a third store in Ventura County California for \$675,000. The terms of the agreement are for payment in cash and to close on or before July 1, 2009.