

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): **October 9, 2008**

Commission File Number 000-28638

THE FLOORING ZONE, INC.

(Exact Name of Registrant as Specified in its Charter)

Nevada

(State or other jurisdiction of incorporation or
organization)

20-0019425

(IRS Employer Identification Number.)

1245 Brickyard Road, Suite 590, Salt Lake City, Utah

(Address of principal executive offices)

84106

(Zip code)

(801) 433-2000

(Registrant's Executive Office Telephone Number)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

The information set forth in Item 2.01 is incorporated by reference herein

Item 2.01 Completion of Acquisition or Disposition of Assets**ACQUISITION OF PROFIRE COMBUSTION, INC.**

On September 30, 2008 The Flooring Zone, Inc. entered into an Acquisition Agreement among The Flooring Zone, Inc. and Profire Combustion, Inc. and the Shareholders of Profire Combustion, Inc. (the "Acquisition Agreement"), subject to customary closing conditions. All conditions for closing were satisfied or waived by, and the transaction closed on October 9, 2008.

Pursuant to the terms and conditions of the Acquisition Agreement, 35,000,000 shares of restricted common stock of the Flooring Zone, Inc. (the "Flooring Zone") were issued to the three shareholders of Profire Combustion, Inc., (the "Profire Shareholders") in exchange for all of the issued and outstanding shares of Profire Combustion, Inc. ("Profire"). As a result of the transaction, Profire became a wholly-owned subsidiary of Flooring Zone. For accounting purposes, Profire is considered the accounting acquirer.

As discussed in more detail herein, at the closing, Andrew Limpert resigned as the Company's interim Chief Executive Officer and President. The board of directors appointed Brenton W. Hatch, the Chief Executive Officer of Profire, as the Chief Executive Officer and President of the Company. The board of directors appointed Harold Albert, the President and Chief Operating Officer of Profire, as the Chief Operating Officer of the Company. Mr. Limpert, who had also been acting as the Company's interim Chief Financial Officer has now been named as the Chief Financial Officer on a permanent basis. Mr. Limpert will continue as a director of the Company.

As discussed in more detail in Item 5.02 below, on October 9, 2008, Joel Arline tendered his resignation as a director of the Company. The Acquisition Agreement provides for the appointment of two individuals designated by Profire to be appointed to the board of directors. Mr. Hatch and Mr. Albert will be appointed to fill vacancies on the Company's board of directors 10 days after the mailing of a Schedule 14F-1 to the Company's shareholders.

The description of the Acquisition Agreement contained in this Current Report on Form 8-K is only a summary of that document and is qualified in its entirety by reference to the terms of the Acquisition Agreement among The Flooring Zone, Inc. and Profire Combustion, Inc. and the Shareholders of Profire Combustion, Inc., dated September 30, 2008, a copy of which is attached as an exhibit to this Current Report on Form 8-K.

DESCRIPTION OF BUSINESS

Business and History of The Flooring Zone, Inc.

The Flooring Zone, Inc. incorporated in the State of Nevada on May 5, 2003. From May 2003 through the fourth quarter 2007, Flooring Zone was engaged in the retail floor covering business. During the fourth quarter 2007, due to ongoing poor performance, Flooring Zone discontinued its retail floor covering operations.

Business and History of Profire Combustion, Inc.

Profire Combustion, Inc. incorporated in the province of Alberta, Canada on March 6, 2002. Profire provides products and services for burners and heaters for the oil and gas industry.

The following is a description of the business of Profire.

Principal Products and Services

Profire is a provider of safe and efficient burner-management systems and services for use in oilfield combustion.

In the oil and natural gas industry there are numerous demands for heat generation and control. The product in pipelines and storage tanks must be kept sufficiently warm to flow efficiently. Equipment of all kinds, including line-heaters, dehydrators, dewaterers, separators, treaters, amine reboilers, free-water knockout systems, etc. require sources of heat to satisfy their various functions. In addition to the need for combustion products to meet heating demands, there is also a need for skilled combustion technicians. Profire was founded to try to meet some of these needs.

Initially, Profire's primary focus was on providing installation and maintenance services to service the products and systems of other manufacturers. Management soon determined, however, that it would be in Profire's best interest to also establish itself as a product supplier. Management also recognized the need to develop its own proprietary burner-management systems to monitor and control combustion. The principal developmental goal of Profire in building its own system was to ensure that the system would meet or exceed the highest safety and quality standards in the industry and that the system would be functional and easily controlled by oilfield operators. With this goal in mind, Profire developed the Profire 1100 combustion-management system. This system has become widely popular in Western Canada, with sales to such companies as Exxon-Mobil, Shell, ConocoPhillips, Devon Energy, Petro-Canada, Encana and many others. This system has also been sold and installed in various parts of the world, including the United States, France, Italy, England, the Middle East, Australia, China and Brazil.

In addition to the Profire 1100 combustion management system, Profire manufactures other systems and products for sale, including a burner management system specific to incinerator systems, called the Profire 1100i and "fuel-trains" or "valve-trains" to accompany system installations. These fuel-trains include piping, valves, controls, etc relating to the process of safely providing fuel to burners, as well as having safety controllers to monitor operations. Profire has also developed and is currently testing a more advanced burner-management system prototype that it believes will soon be market ready.

Principal Markets

Since inception, Profire has focused its sales efforts primarily in Western Canada. Given its success in that market, management has determined to expand its sales efforts to other markets, especially the U.S. market. At present, management believes the best way to penetrate foreign markets is to retain well-established supply companies to represent Profire products and market them to their existing customers. Management hopes to take advantage of those existing relationships to rapidly establish market share in new markets. Management also believes this strategy will be less costly than to establish its own in-house sales force in each new market it wishes to enter. Profire is currently contacting product supply houses in various new markets to represent its products.

Demand for Profire Products

As government and industry continue to heighten safety standards, demand for combustion safety controllers and management systems, such as those produced by Profire, continues to grow. The arena of mixing fire and gas is an area of obvious focus for safety regulators. Governing bodies have historically been reticent to establish standards that were too demanding, as safety products and policing capabilities were not readily available. Profire has always focused on providing products and services that exceed existing safety standards. Profire believes that as it continues to enhance the safety features of its products, the safety standards and codes in the industry will become more stringent, further increasing demand for its products. Oil companies too are seeing the significant benefits of the enhanced safety Profire's products provide. In addition to the safety benefits, oil companies are beginning to recognize the significant increases in efficiency that can be realized through the use of Profire's burner management systems and products.

Suppliers and Availability of Raw Materials

Profire has contracted with a third-party manufacturer, to manufacture its burner management systems, specifically the Profire 1100 and the Profire 1100i. This has helped to improve manufacturing efficiencies. Under the direction of Profire's product engineer, the manufacturer is able to procure all electronic parts, specialty cases and components, and from those, assemble the complete system. Using specialty equipment and processes provided by Profire, the system is tested on-site by the manufacturer and if the finished product is acceptable, it is shipped to Profire for distribution. Orders to the manufacturer are typically for 500 to 1,000 systems. The shipments are usually limited to 250 systems, so that in the event any one shipment is lost or damaged, inventory levels are not seriously impacted. The entire process is typically completed within sixty days of issuing the purchase order.

While Profire has a contract in place with this manufacturer, should it lose their services, for whatever reason, Profire believes it has adequate alternative manufacturing sources available. Profire does not have contracts in place with the parties from whom it acquires parts and products. But Profire believes it has adequate alternative sources available should they be needed. In the past, Profire has not experienced any sudden and dramatic increases in the prices of the major components for its systems. Because the component parts Profire uses are all low priced (none are currently higher than \$40), Profire does not anticipate that a sudden or dramatic increase in the price of any particular component part would have a material adverse effect on the results of its operations and financial condition, particularly if Profire were unable to increase its sale prices proportionate to any such component price increases.

Dependence upon Major Customers

During the fiscal year ended March 31, 2007, only one customer, Grit Industries Inc./A-Fire Holdings Ltd. accounted for more than 10% of Profire's revenues. During that year, this client accounted for 16.3% of total revenues. During the fiscal year ended March 31, 2008, Profire had two customers that accounted for more than 10% of its revenues. Grit Industries Inc./A-Fire Holdings Ltd. accounted for 31.6% of revenues and Heating Solutions International Inc. accounted for 11.6% of revenues.

Often Profire's customers, as is the case with Grit Industries Inc./A-Fire Holdings Ltd. and Heating Solutions International Inc., are contractors for large oil companies who specify the use Profire equipment. Typically, Profire's customers bid for the same jobs, so if one does not get the job, another will. Regardless, of who wins the contract, if the oil company bidding out the job requires Profire equipment the winning bidder will have to acquire the equipment from Profire. Of course, the loss of any one or both of Grit Industries Inc./A-Fire Holdings Ltd. or Heating Solutions International Inc as customers, could have a material adverse effect on Profire's business, consolidated financial condition, results of operations and cash flows.

Patents, Trademarks and Other Intellectual Property

Profire believes that the success of its business depends more on the technical competence, creativity and marketing abilities of its employees than on any individual patent, trademark, or copyright. Historically, the cost, both in time and dollars, of seeking patents, has not made sense for Profire. Nevertheless, as part of its ongoing research, development and manufacturing activities, in the future Profire may seek patents when appropriate on inventions concerning new products and product improvements.

Backlog

The dollar amount of backlog believed to be firm was approximately \$370,407 at September 30, 2008 and \$278,426 at September 30, 2007. The backlog existing at September 30, 2007 was fulfilled by December 31, 2007. Profire expects to fulfill substantially all of the backlog that existed at September 30, 2008 by December 31, 2008. Sales backlog consists of firm customer orders for which a purchase or work order has been received, satisfactory credit or a financing arrangement exists, and delivery is scheduled. There can be no assurance, however, that the orders representing such backlog will not be cancelled.

Competition

Based on Profire's experience, it believes most of the other companies in its industry are small one or two man service companies or product retailers who sell products, but have no service department to support their products. As Profire offers both product sales and service, it believes it holds a competitive advantage over many of its competitors, having said that, the oilfield services industry is highly competitive. As this industry grows and matures we anticipate other companies may seek to enter the market. Some of these companies may be more highly capitalized or better situated to take advantage of market opportunities.

Research and Development

Profire places strong emphasis on product-oriented research and development relating to the development of new or improved products and systems. During the years ended March 31, 2008 and March 31, 2007 Profire spent \$86,378 and \$285,007, respectively, on company-sponsored research and development programs. None of these research and development costs were paid by Profire's customers.

Effects of Compliance with Federal, State and Local Laws

Profire's business is affected by local, provincial, state, federal and foreign laws and other regulations relating to the gas and electric safety standards and codes presently extant in the oil and gas industry, as well as laws and regulations relating to worker safety and potentially environmental protection. We cannot predict the level of enforcement of existing laws and regulations or how such laws and regulations may be interpreted by enforcement agencies or court rulings, whether additional laws and regulations will be adopted, or the effect such changes may have on it, its businesses or financial condition.

In addition, Profire's customers are affected by laws and regulations relating to the exploration for and production of natural resources such as oil and natural gas. These regulations are subject to change, and new regulations may curtail or eliminate customer activities in certain areas where Profire currently operates. We cannot determine the extent to which new legislation may impact customer activity levels, and ultimately, the demand for Profire products and services.

Government Contracts

No material portion of Profire's business is subject to renegotiation of profits or termination of contracts by the United States or other governments.

Employees

As of October 10, 2008, Profire had approximately 11 employees.

Available Information

We file annual, quarterly and current reports, proxy statements and information statements and any amendments to those reports or statements, with the United States Securities and Exchange Commission ("SEC"). The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Alternatively, you may access these reports at the SEC's internet website: <http://www.sec.gov/>.

RISK FACTORS

In addition to the risks discussed under the heading “*Description of Business*” Profire is subject to the following risks.

Risks Relating to Profire’s Business

Profire’s business and financial condition could be materially impacted if it loses the services of certain employees. Profire’s success depends to a significant extent upon the expertise and continued service of Harold Albert, its President and COO and Alan Johnson, its development engineer. While Profire is endeavoring to train other individuals who could provide the services and expertise of Mr. Albert or Mr. Johnson, the loss of their services at the present time would have a material adverse impact on Profire’s growth, product development, revenues and prospective business. Profire does not currently have employment agreements with Mr. Albert or Mr. Johnson, nor does it currently maintain key-man insurance on any of its employees. Although it does not solve the potential problem of a loss of the services of Mr. Albert or Mr. Johnson, Profire intends to seek key-man insurance on these individuals, and perhaps others, to help in the case of such an event.

Profire’s inability to attract and retain skilled workers may impair growth potential and profitability. Profire’s ability to remain productive and profitable will depend substantially on its ability to attract and retain skilled workers. Profire’s ability to expand its operations is in part impacted by its ability to increase its labor force. The demand for skilled oilfield employees is high, and the supply is very limited. A significant increase in the wages paid by competing employers could result in a reduction in its skilled labor force, increases in the wage rates paid by it, or both. If either of these events were to occur, Profire’s capacity and profitability could be diminished, and its growth potential could be impaired.

The concentration of Profire’s customers in one industry and one region may impact overall exposure to credit risk. Substantially all of Profire’s customers operate in the energy industry in Western Canada. This concentration of customers in one industry and one region may impact Profire’s overall exposure to credit risk, either positively or negatively, in that customers may be similarly affected by changes in economic and industry conditions. Profire performs ongoing credit evaluations of its customers and does not generally require collateral in support of its trade receivables.

Profire’s business has potential liability for litigation, personal injury and property damage claims assessments. Profire’s operations involve exposure to inherent risks, including explosions and fires. If any of these events were to occur, it could result in liability for personal injury and property damage, pollution or other environmental hazards or loss of production. Litigation may arise from a catastrophic occurrence at a location where Profire’s equipment and services are used. This litigation could result in large claims for damages. The frequency and severity of such incidents could affect Profire’s operating costs, insurability and relationships with customers, employees and regulators. These occurrences could have a material adverse effect on Profire. Profire maintains what it believes is prudent insurance protection. We cannot assure you that Profire will be able to maintain adequate insurance in the future at rates it considers reasonable or that its insurance coverage will be adequate to cover future claims and assessments that may arise.

Some of Profire's products use equipment and materials that are available from a limited number of suppliers. Profire purchases equipment provided by a limited number of manufacturers who specialize in combustion burner equipment. During periods of high demand, these manufacturers may not be able to meet its requests for timely delivery, resulting in delayed deliveries of equipment and higher prices for equipment. There are a limited number of suppliers for certain materials used in burner management systems, Profire's largest product line. While these materials are generally available, supply disruptions can occur due to factors beyond Profire's control. Such disruptions, delayed deliveries, and higher prices could limit its ability to provide services, or increase the costs of providing services, thus reducing revenues and profits.

If Profire is unable to expand into new markets, its ability to grow its business and profitably as planned could be materially adversely effected. Profire intends to pursue an aggressive growth strategy for the foreseeable future. Projected future operating results will depend largely upon Profire's ability to expand to new markets and increase sales. To support this growth, Profire will increase its marketing expenditures, add new employees and open additional offices. There can also be no assurance that Profire will be able to expand its market share in its existing markets or successfully enter new or contiguous markets. Nor can there be any assurance that such expansion will not adversely affect its profitability and results of operations. If Profire is unable to manage its growth effectively, its business, results of operations and financial condition could be materially adversely affected.

If Profire is unable to manage growth effectively, its business, results of operations and financial condition could be materially adversely affected. Its ability to successfully expand to new markets is dependent on a number of factors including:

- the ability to hire, train and assimilate new employees;
- the adequacy of our financial resources;
- the ability to correctly identify and exploit new geographical markets and to successfully compete in those markets

There can be no assurance that Profire will be able to achieve the planned expansion, that its products will gain access to new markets or be accepted in new marketplaces or that in new markets it will achieve planned operating results or results comparable to those it experiences in existing markets.

Changes in the level of capital spending by its customers could negatively impact Profire's business and financial condition. Profire's principal customers are oil and natural gas exploration and production companies. Profire's results of operations are dependent on the level of capital spending by the energy industry. The energy industry's level of capital spending is substantially related to the prevailing commodity price of natural gas and crude oil. Low commodity prices have the potential to reduce the amount of crude oil and natural gas that Profire's customers can produce economically. While its products actually enhance the efficiency of their wells, we believe a prolonged downturn in the levels of the capital spending of Profire's customers could lead to reductions in the capital spending budgets of its clients and reductions in the demand for its products and services.

Risks Relating to our Stock

Liquidity of Common Stock. Our common stock has limited trading volume on the Over-the-Counter Bulletin Board and is not listed on a national exchange. Moreover, a significant percentage of the outstanding common stock is “restricted” and therefore subject to the resale restrictions set forth in Rule 144 of the rules and regulations promulgated by the SEC under the Securities Act. These factors could adversely affect the liquidity, trading volume, price and transferability of our common stock.

Our management has a substantial ownership interest, and the availability of the Company’s common stock to the investing public may be limited. The availability of Flooring Zone common stock to the investing public may be limited to those shares not held by our executive officers, directors and their affiliates, which could negatively impact its trading prices and affect the ability of minority stockholders to sell their shares. Future sales by executive officers, directors and their affiliates of all or a portion of their shares could also negatively affect the trading price of our common stock.

You may face significant restrictions on the resale of our common stock due to federal regulations of penny stocks. Once common stock is subject to the requirements of Rule 15(g)9, promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) as long as the price of our common stock is below \$4.00 per share. Under such rule, broker-dealers who recommend low-priced securities to persons other than established customers and accredited investors must satisfy special sales practice requirements, including a requirement that they make an individualized written suitability determination for the purchaser and receive the purchaser’s consent prior to the transaction. The Securities Enforcement Remedies and Penny Stock Reform Act of 1990, also requires additional disclosure in connection with any trades involving a stock defined as a penny stock. Generally, the Commission defines a penny stock as any equity security not traded on an exchange or quoted on NASDAQ that has a market price of less than \$4.00 per share. The required penny stock disclosures include the delivery, prior to any transaction, of a disclosure schedule explaining the penny stock market and the risks associated with it. Such requirements could severely limit the market liquidity of the securities and the ability of purchasers to sell their securities in the secondary market.

There is no assurance that our common stock will remain on the OTC Bulletin Board. In order to maintain the quotation of our shares of common stock on the OTC Bulletin Board, we must remain a reporting company under the Exchange Act. This requires us to comply with the periodic reporting and proxy statement requirements of the Exchange Act. If we fail to do so, it is possible that our common stock could be removed from the OTC Bulletin Board and then be traded on the Pink Sheets. In either venue, an investor may find it difficult to obtain accurate quotations as to the market value of the common stock. In addition, if we fail to meet the criteria set forth in SEC regulations, various requirements would be imposed by law on broker-dealers who sell our securities to persons other than established customers and accredited investors. Consequently, such regulations may deter broker-dealers from recommending or selling the common stock, which may further affect its liquidity. This would also make it more difficult for us to raise additional capital.

FINANCIAL INFORMATION

Selected Financial Data

We are a smaller reporting company, as defined in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, and are not required to provide this information.

Management's Discussion and Analysis

This discussion summarizes the significant factors affecting Profire's consolidated operating results, financial condition, liquidity and capital resources during the years ended March 31, 2008 and 2007 and the three months ended June 30, 2008 and 2007. For a complete understanding, this Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the *Financial Statements and Notes to the Financial Statements* contained in this Current Report on Form 8-K.

Forward-Looking Statements

This Current Report contains forward-looking statements as that term is defined in Section 27A of the United States Securities Act of 1933 and Section 21E of the Securities and Exchange Act of 1934. These statements relate to future events or future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Such statements are based on currently available financial and competitive information and are subject to various risks and uncertainties that could cause actual results to differ materially from historical experience and present expectations. Undue reliance should not be placed on such forward-looking statements as such statements speak only as of the date on which they are made. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Overview

The Flooring Zone, Inc. was incorporated in the State of Nevada on May 5, 2003. On September 30, 2008 the Flooring Zone, Inc. entered into an Acquisition Agreement with Profire Combustion, Inc., an Alberta, Canada corporation, under which The Flooring Zone, Inc. acquired 100% of the outstanding common shares of Profire Combustion, Inc. in exchange for the issuance of 35,000,000 common shares.

Following closing of the exchange, the three Profire Combustion, Inc. shareholders held 78% of The Flooring Zone, Inc. common stock outstanding after the transaction and therefore Profire Combustion, Inc. is considered the acquirer for financial reporting purposes. Accordingly, the accompanying financial statements are the financial statements of Profire Combustion, Inc. for all periods presented.

Results of Operations

Comparison of the years ended March 31, 2008 and 2007

Total Revenues

During the year ended March 31, 2008 total revenues were \$4,352,536, compared to \$2,158,115 during the year ended March 31, 2007. The increase in total revenues is primarily attributable to a 102% increase in sales of goods during the year ended March 31, 2008. During the year ended March 31, 2007, product sales accounted for 66% of total revenues and service accounted for 34% of total revenue. During the year ended March 31, 2008, product sales increased 150% compared to 2007 and accounted for 82% of total revenues. Services revenue increased 7% compared to 2007, but accounted for only 18% of total revenue. The decrease in services revenues as a percentage of total revenues is directly related to a shift in our business model to focus our efforts to establishing ourselves as a product manufacturer and retailer. We expect total revenues will continue to grow as we continue to expand our operations.

Cost of Goods Sold

Cost of goods sold during the twelve months ended March 31, 2008 was \$2,591,562 compared to \$1,008,215 during the twelve months ended March 31, 2007. This 57% increase is the result of the increase of sales of certain systems needing assembly, certain specialized components, storage and factory space and the associated labor to perform these functions. During the year ended March 31, 2008, cost of goods sold as a percentage of total revenues increased to 60% of total revenue compared to 47% during the year ended March 31, 2007. The principle reason for the increase in cost of goods sold as a percentage total revenues during the 2008 year was the shift of our business focus from service to place greater emphasis on manufacturing and product sales. We anticipate as product sales increase cost of goods sold will also increase, although we expect as a percentage of total revenues cost of goods sold will remain fairly consistent.

General and Administrative Expenses

General and administrative expenses for the year ended March 31, 2008 were \$985,899, a \$344,761 or 54% increase compared to the same twelve month period ended March 31, 2007. This increase in general and administrative expense was largely the result of a general increase in operational activity, including increasing service personnel labor costs, increasing transportation, shipping and fuel expenses and the expansion of our distribution territory. We expect general and administrative expenses will continue to increase at the same or higher rates as we continue to expand our business.

Payroll Expense

Payroll expense during the twelve months ended March 31, 2008 was \$365,640 or 119% higher than during the twelve months ended March 31, 2007. This increase in payroll expense was the result of both the hiring of additional employees and wage increases for existing employees and management coupled with a 78% increase in management bonuses. We anticipate during the year ending March 31, 2009 payroll expense will be fairly consistent with payroll expenses realized in 2008.

Total Other Expense

Total other expense was lower by \$3,845 during the year ended March 31, 2007. During our 2008 fiscal year, we recognized a \$20,560 impairment in the value of available for sale securities, which amount was offset by a \$27,056 gain on the sale of fixed assets. We anticipate both of these events are one time occurrences and we do not expect to realize a similar impairment or gain in the upcoming months. During the 2008 fiscal year, we also paid \$2,659 more in interest expense than during our 2007 fiscal year.

Foreign Currency Translation Adjustment

The consolidated financial statements are presented in U.S. dollars. Our functional currency is Canadian dollars. The financial statements of the Company were translated to U.S. dollars using year-end exchange rates for the balance sheet and weighted average exchange rates for the statements of operations. Equity transactions were translated using historical rates. Foreign currency translation gains or losses as a result of fluctuations in the exchange rates are reflected in the statement of operations and comprehensive income.

Therefore, the translation adjustment in the consolidated financial statements represents the translation differences from translation of our financial statements. As a result, the translation adjustment is commonly, but not always, positive if the average exchange rates are lower than exchange rates on the date of the financial statements and negative if the average exchange rates are higher than exchange rates on the date of the financial statements.

Total Comprehensive Income

For the foregoing reasons, our total comprehensive income was \$385,898 or 62% higher during the year ended March 31, 2008 compared to the year ended March 31, 2007.

Liquidity and Capital Resources

Since inception, the operations of the Company have been financed primarily from cash flow from operations and loans from Company executives. We have a revolving credit line of approximately \$200,000 with a local banking institution that we also use from time to time to satisfy short-term fluctuations in cash flows.

As of March 31, 2008 we had total assets of \$2,227,252 including cash and cash equivalents of \$33,097. At March 31, 2008 total liabilities were \$1,093,029, all of which were current liabilities.

During the twelve months ended March 31, 2008 and 2007 cash was primarily used to fund operations. See below for additional discussion and analysis of cash flow.

	Twelve months ended March 31, 2008	Twelve months ended March 31, 2007
Net cash (used in) provided by operating activities	\$ (31,927)	\$ 193,203
Net cash (used in) provided by investing activities	\$ (58,227)	\$ (209,080)
Net cash provided by financing activities	\$ 123,155	\$ 6,744
Foreign currency translation adjustment	\$ 14	\$ 148
NET INCREASE (DECREASE) IN CASH	\$ 33,015	\$ (8,985)

With our efforts to grow our business and the shift in our business model to focus more on manufacturing and product sales, net cash used in our operating activities increased. This increase was primarily the result of increases in inventory and trade receivables, which was partially offset by an increase in accounts payable. As noted above, from time to time we may also draw down on our revolving credit line to meet short-term cash needs. Accounts receivable continue to increase year to year and these could be factored if needed to provide cash flow but to date have not been needed. We have no current capital commitments outside of general operations and do not anticipate any in the near future.

Cash flow used in investing activities decreased during the year ended March 31, 2008 primarily because we made significant property and equipment acquisitions during the year ended March 31, 2007. Also during the 2008 year we realized \$6,776 from the sale of equipment. We sold no equipment during the 2007 year.

During the twelve months ended March 31, 2008 we realized \$123,155 net cash from financing activities as we entered into certain debt obligations that resulted in proceeds to the Company of \$193,603. These funds were partially offset by repayment of certain obligations.

Summary of Material Contractual Commitments

The following table lists our significant commitments as of March 31, 2008.

	Payments Due by Fiscal Year				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Short term debt- related parties	\$ 194,571	\$ 194,571	\$ -	\$ -	\$ -
Total	\$ 194,571	\$ 194,571	\$ -	\$ -	\$ -

Inflation

We believe that inflation has not had a significant impact on our operations since inception.

Off-Balance Sheet Arrangements

As of March 31, 2008 and 2007 we had no off-balance sheet arrangements.

Critical Accounting Policies and Estimates

Our financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires that management make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ significantly from those estimates.

We believe the following critical accounting policies affect the more significant estimates and judgments used in the preparation of our financial statements.

Foreign Currency and Comprehensive Income - The Company's functional currency is the Canadian dollar (CAD). The financial statements of the Company were translated to USD using year-end exchange rates for the balance sheet, and average exchange rates for the statements of operations. Equity transactions were translated using historical rates. The period-end exchange rates of 1.0111, 1.0279 and 1.1529 were used to convert the Company's June 30, 2008, March 31, 2008 and 2007 balance sheets, respectively, and the statements of operations used weighted average rates of 1.01039, 1.0327 and 1.1386 for the three months ended June 30, 2008, and the years ended March 31, 2008 and 2007, respectively. All amounts in the financial statements and footnotes are presumed to be stated in USD, unless otherwise identified. Foreign currency translation gains or losses as a result of fluctuations in the exchange rates are reflected in the Statement of Operations and Comprehensive Income.

Revenue Recognition - The Company records sales when a firm sales agreement is in place, delivery has occurred or services have been rendered, and collectability of the fixed or determinable sales price is reasonably assured. If customer acceptance of products is not assured, the Company records sales only upon formal customer acceptance.

Accounts Receivable - Receivables from the sale of goods and services are stated at net realizable value. This value includes an appropriate allowance for estimated uncollectible accounts. The allowance is calculated based on past collectability and customer relationships. The Company did not find it necessary to record an allowance for doubtful accounts for the periods ended June 30, 2008, March 31, 2008 and 2007 since it determined that all accounts are collectible.

Cash and Cash Equivalents - For purposes of the statement of cash flows, cash and cash equivalents include cash and all debt securities with an original maturity of 90 days or less.

As of June 30, 2008, and March 31, 2008 and 2007, book balances totaled \$3,807, \$33,097 and \$82, respectively. These deposits were insured entirely by insurance accounts held by the Company's banks guaranteed by the Province of Alberta, Canada.

Recently Issued Financial Accounting Standards

In December 2007, the FASB issued SFAS No. 160 "*Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51.*" This statement amends ARB 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. The statement requires consolidated net income to be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest. It also requires disclosure, on the face of the consolidated statement of income, of the amounts of consolidated net income attributable to the parent and to the noncontrolling interest. This statement is effective for fiscal years beginning on or after December 15, 2008. The statement applies prospectively as of the beginning of the fiscal year in which this is applied.

In December 2007, the FASB issued SFAS No. 141(R) "*Business Combinations.*" This statement replaces FASB Statement No. 141, "*Business Combinations.*" This statement retains the fundamental requirements in Statement 141 that the acquisition method of accounting be used for all business combinations and for an acquirer to be identified for each business combination. This statement defines the acquirer as the entity that obtains control of one or more businesses in the business combination and establishes the acquisition date as the date that the acquirer achieves control. This statement requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date, with limited exceptions specified in the statement. This Statement requires the costs incurred to effect the acquisition (acquisition-related costs) to be recognized separately from the acquisition. Also, this statement requires the acquirer to recognize those restructuring costs separately from the business combination. This statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008.

In March of 2008, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 161, "*Disclosures about Derivative Instruments and Hedging Activities*"—an amendment of FASB Statement No. 133, "*Accounting for Derivatives and Hedging Activities*." SFAS No. 161 has the same scope as Statement No. 133 but requires enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement No. 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The statement encourages, but does not require, comparative disclosures for earlier periods at initial adoption. SFAS No. 161 has no effect on the Company's financial position, statements of operations, or cash flows at this time.

In May of 2008 the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 163, "*Accounting for Financial Guarantee Insurance – an interpretation of FASB Statement No. 60, Accounting and Reporting by Insurance Enterprises*". This statement requires that an insurance enterprise recognize a claim liability prior to an event of default (insured event) when there is evidence that credit deterioration has occurred in an insured financial obligation. This statement also clarifies how Statement 60 applies to financial guarantee insurance contracts. This statement is effective for fiscal years beginning after December 15, 2008. This statement has no effect on the Company's financial reporting at this time.

In May of 2008, the FASB issued Statement No. 162, "*The Hierarchy of Generally Accepted Accounting Principles*." This statement identifies literature established by the FASB as the source for accounting principles to be applied by entities which prepare financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States. This statement is effective 60 days following approval by the SEC of the Public Company Accounting Oversight Board amendments to AU Section 411, "*The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*." This statement will require no changes in the Company's financial reporting practices.

None of the above new pronouncements has current application to the Company, but may be applicable to our future financial reporting.

Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company, as defined in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, and are not required to provide this information.

DESCRIPTION OF PROPERTIES

Our principal operational offices are located at Bay 12, 55 Alberta Avenue, Spruce Grove, Alberta, Canada T7X 3A6 where we own approximately 8,000 square feet of office and warehouse space. We anticipate this facility will be suitable and adequate for our needs for the next twelve months. If the need arose, however, we believe we could secure additional space on acceptable terms. We will also maintain a management office in Salt Lake City, Utah, where our Chief Financial Officer, Andrew Limpert, allows us to utilize a portion of his offices. We currently pay no rent to Mr. Limpert and he is under no obligation to make this space available. As we grow our business and presence in the United States, we expect to expand our U.S. employment base. We are currently searching for an appropriate facility to which we can relocate our Utah office.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The term "beneficial owner" refers to both the power of investment (the right to buy and sell) and rights of ownership (the right to receive distributions from the company and proceeds from sales of the shares). Inasmuch as these rights or shares may be held by more than one person, each person who has a beneficial ownership interest in shares is deemed the beneficial owner of the same shares because there is shared power of investment or shared rights of ownership.

The following table sets forth as of October 9, 2008 the name and the number of shares of our common stock, par value of \$0.001 per share, held of record or beneficially by each person who held of record, or was known by us to own beneficially, more than 5% of the 45,000,000 issued and outstanding shares of our common stock, and the name and shareholdings of each director and of all officers and directors as group.

<u>Type of Security</u>	<u>Name and Address</u>	<u>Amount & Nature of Beneficial Ownership</u>	<u>% of Class</u>
Common	Brenton W. Hatch ⁽¹⁾ Bay 12, 55 Alberta Ave. Spruce Grove, Alberta, Canada T7X 3A6	15,750,000	35%
Common	Harold Albert ⁽¹⁾ Bay 12, 55 Alberta Ave. Spruce Grove, Alberta, Canada T7X 3A6	15,750,000	35%
Common	Andrew Limpert ⁽¹⁾ 1245 Brickyard Road, Suite 590 Salt Lake City, Utah 84106	5,325,150 ⁽²⁾	12%
Common	Michael Carroll 408 Brewster Lane Saint Simmons Island, Georgia 31522	4,105,100	9%
Common	Shelly Nichol Bay 12, 55 Alberta Ave. Spruce Grove, Alberta, Canada T7X 3A6	3,500,000	8%
All officers and directors as a group (3 persons)		36,825,150	82%
TOTAL		44,430,250	99%

- (1) Mr. Hatch, Mr. Albert and Mr. Limpert are executive officers of the Company. Mr. Limpert is the sole director of the Company. Mr. Hatch and Mr. Albert will be appointed to fill vacancies on the board of directors 10 days after mailing of a Schedule 14F-1 to the Company's shareholders.
- (2) In connection with the Acquisition Agreement, Mr. Limpert agreed to cancel 6,224,950 shares of his common stock of the Flooring Zone.

Changes in Control

Except as described herein in connection with the acquisition of Profire Combustion, Inc., by The Flooring Zone, Inc., there are no other arrangements known to us, that may at a subsequent date, result in a change in control of the Company.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth our directors, nominees and executive officers, their ages, and all offices and positions held. Directors are elected for a period of one year and thereafter serve until their successors are duly elected by the stockholders. Officers and other employees serve at the will of the board of directors.

<u>Name</u>	<u>Age</u>	<u>Positions Held</u>	<u>Director Since</u>
Andrew Limpert	39	CFO, Secretary and Director	November 2007
Brenton W. Hatch	58	CEO, President and Director ⁽¹⁾	October 2008
Harold Albert	46	COO and Director ⁽¹⁾	October 2008

- (1) Pursuant to the Acquisition Agreement, it is contemplated that Mr. Arline will resign as a director of the Company. Mr. Hatch and Mr. Albert will be appointed to fill vacancies on the board of directors 10 days after mailing of a Schedule 14F-1 to the Company's shareholders.

The above individuals serve as executive officers and/or directors. A brief description of their positions, proposed duties and their background and business experience follows:

Andrew Limpert. Mr. Limpert graduated from the University of Utah with a Bachelors of Science degree in Finance in 1994. He earned a Masters of Business Administration with an emphasis in Finance in 1998. Mr. Limpert joined Flooring Zone in November 2007. Since 1998, he has been an investment advisor with Belsen Getty, LLC, providing wealth management direction and strategic and financial advice for several investment banks. For the past 15 years he has founded, consulted on and funded numerous businesses in the private and public arenas. Mr. Limpert has been associated with Axxess Funding Group, LLC since 2004 as its marketing manager. In 2007 he became the chairman of the board of directors of Nine Mile Software Inc a rebalancing and mutual fund trading software developer. Nine Mile Software became an SEC registrant during 2008. Mr. Limpert serves as a director of BBM Holdings, Inc. a New York based provider of ship-to-shore internet connectivity technology. BBM Holdings, Inc. is also an SEC registrant.

Brenton W. Hatch. Mr. Hatch co-founded Profire Combustion, Inc. in 2002. Since that time he has served as the Chief Executive Officer and General Manager of the Company. Mr. Hatch has been responsible for the day-to-day operations of Profire since its inception. Prior to founding Profire, between 2001 and 2002 Mr. Hatch was a Management Consultant and General Manager of Titan Technologies, Inc., an oilfield service and distribution company in Edmonton, Alberta, Canada. In this position, Mr. Hatch performed an in-depth analysis of the operations and management of all divisions of Titan Technologies. Based on his analysis, Mr. Hatch implemented company-wide operational changes to improve company performance. From 1989 to 2000 Mr. Hatch served as President and Chief Executive Officer of Keaton International, Inc., an educational services company based in Edmonton, Alberta, Canada. Mr. Hatch managed all executive functions of the company and particularly focused on the development and management of the company's educational services. During his time at Keaton International, Mr. Hatch led corporate networking and marketing campaigns worldwide. Mr. Hatch earned a Bachelor's Degree in Education from the University of Alberta in 1974. Mr. Hatch is not a nominee or director of any other SEC registrant.

Harold Albert. Mr. Albert co-founded Profire Combustion, Inc. in 2002. He has served as the President and Chief Operating Officer of Profire since that time. Mr. Albert is responsible for research and development of new products and services. He oversees the Company's Canadian operations. Prior to founding Profire, Mr. Albert worked in the oil services industry for Titan Technologies, Inc. from 1996 to 2002. During that time Mr. Albert served as an Associate Manager overseeing the company's burner division. From 1993 to 1996 Mr. Albert was employed with Natco Canada doing start up and commissioning of oil and gas facilities in both Canada and Russia. Mr. Albert is not a nominee or director of any other SEC registrant.

There are no family relationships among any of our directors or executive officers.

Involvement in Certain Legal Proceedings

During the past five years none of our executive officers, directors, promoters or control persons has been involved in any of the following events that could be material to an evaluation of his ability or integrity, including:

1. Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time.
2. Any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; and

4. Being found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, which judgment has not subsequently been reversed, suspended, or vacated.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In June 2007, Brent Hatch and Harold Albert loaned Profire \$50,000 Canadian dollars, and in August 2007 Brent Hatch and Harold Albert loaned Profire \$150,000 Canadian dollars, which in total was the equivalent of \$194,571 in U.S. dollars based on conversion rates at March 31, 2008, by way of an unsecured promissory notes. The promissory notes are non-interest bearing and are due March 31, 2009.

LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in matters may arise from time to time that may harm our business. We are not currently aware of any legal proceedings or claims against the Company.

EXECUTIVE COMPENSATION

The following table summarizes the total compensation paid to the individuals serving as principal executive officers (the "named executive officers") during the fiscal years ending March 31, 2008 and 2007.

Summary Compensation Table

<i>Name and Principal Position</i>	<i>Year</i>	<i>Salary (\$)</i>	<i>Bonus (\$)</i>	<i>Option Awards (\$)</i>	<i>All Other Compensation (\$)</i>	<i>Total (\$)</i>
Brenton W. Hatch ⁽¹⁾	2008	86,500	200,113	-0-	11,784	298,397
CEO	2007	97,722	117,341	-0-	27,292	242,355
Andrew Limpert ⁽²⁾	2008	-0-	-0-	-0-	-0-	-0-
CFO and Former CEO						
Harold Albert ⁽³⁾	2008	86,500	200,005	-0-	11,320	297,825
COO	2007	97,722	18,819	-0-	16,081	132,622

(1) Mr. Hatch served as CEO of Profire Combustion, Inc. during the fiscal years ended March 31, 2008 and 2007.

(2) Mr. Limpert served as interim CEO and interim CFO of The Flooring Zone, Inc. from November 29, 2007 to October 2008.

(3) Mr. Albert served COO of Profire Combustion, Inc. during the years ended March 31, 2008 and 2007.

Other Income

During the years ended March 31, 2008 and 2007 Profire purchased vehicles for and paid for fuel, maintenance and other vehicle related costs for Mr. Hatch and Mr. Albert.

Employment Agreements

We do not currently have employment agreements with any of the above named executive officers. We are currently negotiating employment agreements with our executive officers. The terms of compensation of our executive officers, including the terms of any employment agreements we may enter into with any of them, will be determined by our board of directors.

Employer Benefit Plans

At the current time, we do not provide any health care, retirement, pension, or other benefit plans to our named executive officers; however, the board of directors may adopt plans as it deems reasonable under the circumstances.

Termination of Employment and Change of Control Arrangement

There are no compensatory plans or arrangements, including payments to be received from us, with respect to any person named in cash compensation set forth above that would in any way result in payments to any such person because of resignation, retirement, or other termination of such person's employment with the Company or its subsidiary, or any change in control, or a change in the person's responsibilities following a change in control of the Company.

Outstanding Equity Awards at Fiscal Year End

None of the named executive officers held outstanding equity awards at the years ended March 31, 2008 and 2007.

Stock Option Plan

On May 13, 2003 we adopted The Flooring Zone, Inc., 2003 Stock Incentive Plan (the "Plan"). The Plan allows Flooring Zone to grant options to its key employees, officers, directors, consultants, advisors and sales representatives to purchase up to 500,000 shares of its \$.001 par value restricted common stock at an exercise price to be determined by the Stock Option Committee of the board at the time of grant. In 2003 Flooring Zone granted 45,000 options, none of which were granted to any of the named executive officers. These options vested immediately and were exercised in 2003. 455,000 options are still available for granting.

Employee Stock Purchase Plan

We do not currently have an employee stock purchase plan in place.

Director Compensation

The following table sets forth a summary of the compensation we paid to our non-employee directors for services on our board during the fiscal year ended March 31, 2008.

<u>Name</u>	<u>Fees Earned or Paid in Cash (\$)</u>	<u>All Other Compensation</u>	<u>Total (\$)</u>
Andrew Limpert ⁽¹⁾	-0-	-0-	-0-
Brenton W. Hatch ⁽²⁾	-0-	-0-	-0-
Harold Albert ⁽²⁾	-0-	-0-	-0-
Joel Arline	-0-	10,650 ⁽³⁾	-0-

(1) Mr. Limpert was appointed to the board of directors of The Flooring Zone, Inc., on November 29, 2007.

(2) Mr. Hatch and Mr. Albert have been directors of Profire Combustion, Inc. since its inception in 2002. As discussed in this Current Report, Mr. Hatch and Mr. Albert will be appointed to fill vacancies on the board of directors of The Flooring Zone, Inc. ten days after the mailing of a Schedule 14F-1 to our shareholders.

(3) Mr. Arline is a certified public accountant. This amount represents fees paid to Mr. Arline in connection with certain accounting and tax preparation and consulting services provided to The Flooring Zone, Inc. Mr. Arline resigned as a director of The Flooring Zone, Inc. on October 9, 2008.

Director Stock Purchase Plan

We do not currently have a director stock purchase plan in place.

MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The common stock of The Flooring Zone, Inc. began trading on the Over-the-Counter Bulletin Board ("OTCBB") under the symbol FZON on April 12, 2007. Prior to April 12, 2007 our securities were not traded publicly. As of October 9, 2008, we had approximately 97 shareholders holding 45,000,000 common shares.

The published bid and ask quotations from April 12, 2007 through September 30, 2008 are included in the chart below. This information was obtained from Pink OTC Markets Inc. These quotations represent prices between dealers and do not include retail markup, markdown or commissions. In addition, these quotations do not represent actual transactions and have not been adjusted for stock dividends or splits.

	BID PRICES		ASK PRICES	
	HIGH	LOW	HIGH	LOW
2008				
Third Quarter	.30	.25	.75	.50
Second Quarter	.35	.30	.55	.35
First Quarter	.55	.55	.95	.95
2007				
Fourth Quarter	.55	.35	.95	.45
Third Quarter	1.16	.35	1.65	.505
Second Quarter ⁽¹⁾	1.25	.25	1.05	1.50

⁽¹⁾ Represents prices from April 12, 2007 (the date the Company stock began trading on the OTCBB) to June 30, 2007.

Dividends

We have not declared a cash dividend on any class of common equity in the last three fiscal years. There are no restrictions on our ability to pay cash dividends, other than state law that may be applicable; those limit the ability to pay out all earnings as dividends. Our board of directors does not anticipate paying any dividends in the foreseeable future; it intends to retain the earnings that could be distributed, if any, for the operations.

Securities for Issuance Under Equity Compensation Plans

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in columns (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	-0-	\$0.00	455,000
Equity compensation plans not approved by security holders	-0-	\$0.00	-0-
Total	-0-	\$0.00	455,000

The Flooring Zone, Inc., 2003 Stock Incentive Plan (the "Plan") was adopted on May 13, 2003. The Plan allow us to grant options to our key employees, officers, directors, consultants, advisors and sales representatives to purchase up to 500,000 shares of its \$.001 par value restricted common stock at an exercise price to be determined by the Stock Option Committee of the board at the time of grant.

On June 18, 2003 we granted options under the Plan to 26 employees to purchase an aggregate of 45,000 shares of our common stock at an exercise price of \$1.25. The options were exercisable for a period of two years from the date of grant and vested immediately. Between June 20, 2003 and September 30, 2003 all of the options were exercised.

There are currently no options, warrants or rights outstanding under the Plan.

RECENT SALES OF UNREGISTERED SECURITIES

On October 9, 2008, we issued 35,000,000 shares to acquire all of the outstanding capital stock of Profire Combustion, Inc. from its three shareholders. These shares were issued without registration under the Securities Act of 1933 to one U.S. person in reliance upon Section 4(2) of the Securities Act of 1933 and to two non U.S. persons in reliance on Regulation S of rules and regulations promulgated under the Securities Act of 1933.

DESCRIPTION OF REGISTRANT'S SECURITIES

Description of Common Stock. Our authorized capital stock consists of 100,000,000 shares of common stock with a \$.001 par value and 10,000,000 shares of preferred stock with a \$.001 par value. As of October 9, 2008, we had 45,000,000 common shares outstanding. We have no preferred shares outstanding. Holders of our common shares are entitled to receive dividends when declared by the board of directors out of funds legally available therefore. Any such dividends may be paid in cash, property or shares. We have not paid any dividends since our inception. All dividends will be subject to the discretion of the board of directors, and will depend upon, among other things, our operating and financial conditions, capital requirements and general business conditions. Therefore, there can be no assurance that any dividends on our shares will be paid in the future.

All common shares have equal voting rights and, when validly issued and outstanding, will have one vote per share on all matters to be voted upon by the shareholders. Cumulative voting in the election of directors is not allowed, and a quorum for shareholder meetings shall result from a majority of the issued and outstanding shares present in person or by proxy. Accordingly, the holders of a majority of the common shares present, in person or by proxy at any legally convened shareholders' meeting at which the board of directors is to be elected, will be able to elect all directors and the minority shareholders will not be able to elect a representative to the board of directors.

Common shares have no preemptive or conversion rights, no redemption or sinking fund provisions, and are not liable for further call or assessment. Each common share is entitled to share pro rata any assets available for distribution to holders of its equity securities upon our liquidation.

Description of Preferred Stock. We currently have authorized 10,000,000 shares of preferred stock, \$.001 par value, with no shares issued or outstanding. No rights, privileges and preferences have been designated for our preferred stock. Our board of directors is authorized to divide our preferred shares into classes or series and to designate the rights, privileges and preferences of any such class or series of preferred stock by resolution prior to its issuance.

Description of Stock Options. We currently have no stock options outstanding. We have adopted The Flooring Zone, Inc., 2003 Stock Incentive Plan (the "Plan") allowing us to offer our key employees, officers, directors, consultants and sales representatives, an opportunity to acquire a proprietary interest in our corporation. The various types of incentive awards which may be provided under the Plan will enable us to respond to changes in compensation practices, tax laws, accounting regulations and the size and diversity of its business. The total number of common shares reserved and available for distribution under the Plan was 500,000 shares. These shares will underlie the options granted by us pursuant to the Plan. In June 2003, we granted stock options to purchase up to 45,000 shares of our common stock. All such options were exercised prior to the year ended December 31, 2003. At the current time, there are no stock options outstanding. The Plan does not provide option holders protection against dilution. Neither the options available under the Plan, nor the shares underlying the option have preemptive rights.

In the case of any reclassification, change, consolidation, merger, sale or conveyance of our shares to another corporation, we will make adequate provision whereby the registered holder of any outstanding option will have the right thereafter to receive an exercise of the options immediately prior to the reclassification, change, consolidation, merger, sale or conveyance of our shares.

Other provisions of the options that may be granted under the Plan are set forth below. This information is subject to the provisions of the Plan and the terms of each individual stock option grant. The following information is a summary of The Flooring Zone, Inc., 2003 Stock Incentive Plan:

1. The shares underlying the options offered pursuant to the Plan are subject to the same rights and restrictions as other shares.
2. Once an option is granted, we may not call the option.
3. The options may not be sold prior to six months from the date of the grant of the related award without our prior approval.
4. Unless exercised within the time provided for exercise, the options will automatically expire.
5. The exercise price per share purchasable under a stock option shall be determined by the Committee at the time of grant and may not be less than 100% of Fair Market Value of the shares, provided however, that the exercise price of an Incentive Stock Option granted to a 10% Stockholder shall not be less than 110% of the Fair Market Value of the shares.
6. There is no minimum number of shares that must be purchased upon exercise of the option.

7. The option holders, in certain instances, are protected against dilution of their interest represented by the underlying shares upon the occurrence of stock dividends, stock splits, reclassifications and mergers.

Transfer Agent. OTC Stock Transfer, Inc. located at 231 East 2100 South, Salt Lake City, Utah 84165, Telephone (801) 485-5555, is our transfer agent.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Our Articles of Incorporation provide for indemnification to the fullest extent permitted by Nevada law. Specifically, our Articles provide that no director or officer of the Company shall be personally liable to the Company or any of its stockholders for damages for breach of fiduciary duty as a director or officer; provided, however, that the foregoing provision shall not eliminate or limit the liability of a director or officer (i) for acts or omissions which involve intentional misconduct, fraud or knowing violation of law, or (ii) the payment of dividends in violation of Section 78.300 of the Nevada Revised Statutes. Any repeal or modification of an Article by the stockholders of the Company shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director or officer of the Company for acts or omissions prior to such repeal or modification.

Item 3.02 Unregistered Sales of Equity Securities

The information set forth in Item 2.01 is incorporated by reference herein.

Item 4.01 Changes in Registrant's Certifying Accountant

As noted above, Profire is considered the accounting acquirer for accounting purposes as a result of the closing of the Acquisition Agreement. On October 10, 2008 the board of directors determined to terminate the engagement of Mantyla McReynolds, LLC the firm that had been serving as the independent registered public accounting firm of the Flooring Zone and engaged Child, Van Wagoner & Bradshaw, PLLC, the firm that has served as the independent registered public accounting firm of Profire.

The audit reports of Mantyla McReynolds LLC for the fiscal years ended December 31, 2007 and December 31, 2006 did not contain an adverse opinion, disclaimer of opinion or qualification or modification as to uncertainty, audit scope or accounting principles, except for a going concern paragraph expressing substantial doubt about the ability of the Company to continue as a going concern.

In connection with its audits for the past two fiscal years and review of unaudited financial statements through June 30, 2008 and through the date of dismissal there were no disagreements with Mantyla McReynolds LLC, on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which if not resolved to the satisfaction of Mantyla McReynolds LLC, would have caused them to make reference to the subject matter thereto in its reports on the financial statements for such years.

During the two most recent fiscal years and through October 10, 2008 there have been no reportable events (as defined in Regulation S-K, Item 304(a)(1)(v)).

The Company has provided Mantyla McReynolds, LLC with a copy of the foregoing disclosure and requested that Mantyla McReynolds, LLC provide the Company with a letter addressed to the Securities and Exchange Commission stating whether it agrees with the statements made by the Company in response to this Item. A copy of such letter, dated October 10, 2008, is filed as Exhibit 16.1 to this Current Report on Form 8-K.

On October 10, 2008, the board of directors engaged Child, Van Wagoner & Bradshaw, PLLC to serve as the Company's independent registered public accounting firm. During the two most recent fiscal years and through October 10, 2008, the Company had not consulted with Child, Van Wagoner & Bradshaw, PLLC regarding (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, and no written report or oral advice was provided to us by Child, Van Wagoner & Bradshaw, PLLC that was an important factor considered by our audit committee in reaching a decision as to an accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement (within the meaning of Instruction 4 of Item 304 of Regulations S-K), or a reportable event (as that term is defined in Item 304(a)(1)(v) of Regulation S-K.)

Item 5.01 Changes in Control of Registrant

The information set forth in Item 2.01 is incorporated by reference herein.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.

The information set forth in Item 2.01 is incorporated by reference herein.

On October 9, 2008, Mr. Joel Arline tendered his resignation as a director of The Flooring Zone, Inc. Mr. Arline was not a member of any committee of the board of directors. Mr. Arline's resignation was not the result of any disagreements with the Company on any matter relating to the Company's operations, policies or practices.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

Since inception, the fiscal year end of The Flooring Zone, Inc. has been December 31. The fiscal year end of Profire Combustion, Inc. is March 31. Following the interpretive guidelines of the Commission, The Flooring Zone, Inc. elected to formally change its fiscal year end from December 31 to March 31 to match the fiscal year end of Profire Combustion, Inc. On October 8, 2008, the board of directors of The Flooring Zone, Inc. acted by unanimous written consent to change the fiscal year end of The Flooring Zone, Inc. from December 31 to March 31.

In connection with this change in the fiscal year end, the board of directors approved amendments to the Bylaws of The Flooring Zone, Inc., to reflect the change in the fiscal year end and to update the address of The Flooring Zone, Inc. These were the only changes to the Bylaws.

The description of the amendments to the Bylaws of The Flooring Zone, Inc. contained in this Current Report on Form 8-K is only a summary of that document and is qualified in its entirety by reference to the terms of the Bylaws of The Flooring Zone, Inc. (As Amended through October 8, 2008), a copy of which is attached as an exhibit to this Current Report on Form 8-K.

Item 5.06 Change in Shell Company Status

The information set forth in Item 2.01 is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Business Being Acquired

Audited financial statements of Profire Combustion, Inc.

(b) Pro Forma Financial Information

Not applicable

(c) Pro Forma Financial Information - Shell Company Transaction

Unaudited condensed combined pro forma balance sheet at March 31, 2008

Unaudited condensed combined pro forma statement of operations and comprehensive income for the years ended December 31, 2008 and March 31, 2008

Unaudited condensed combined pro form balance sheet at June 30, 2008

Unaudited condensed combined pro forma statement of operations and comprehensive income for the three months ended June 30, 2008

(d) Exhibits

Exhibit 3.1	Bylaws of The Flooring Zone, Inc. (As Amended through October 8, 2008)
Exhibit 10.1	Acquisition Agreement among The Flooring Zone, Inc. and Profire Combustion, Inc. and the Shareholders of Profire Combustion, Inc. dated September 30, 2008
Exhibit 16.1	Letter of Mantyla McReynolds, LLC
Exhibit 17.1	Resignation Letter of Joel Arline

SIGNATURES

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

THE FLOORING ZONE, INC.

Dated: October 14, 2008

By: /s/ Andrew Limpert
Andrew Limpert
Secretary

Profire Combustion Inc.

Financial Statements

**For the Three Months Ended June 30, 2008 (Unaudited)
And Years Ended March 31, 2008 and 2007**

Profire Combustion Inc.

Financial Statements

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING
FIRM

To The Board of Directors and Stockholders of
Profire Combustion Inc.
Bay 12, 55 Alberta Ave.
Spruce Grove, AB T7X 3A6
CANADA

We have audited the accompanying balance sheets of Profire Combustion, Inc. (the Company) as of March 31, 2008 and 2007, and the related statements of operations and comprehensive income, cash flows, and statement of stockholders' equity for the years ended March 31, 2008 and 2007. 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 the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Profire Combustion, Inc. as of March 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Child, Van Wagoner & Bradshaw, PLLC

Child, Van Wagoner & Bradshaw, PLLC
Salt Lake City, Utah
August 21, 2008

Profire Combustion Inc.
Balance Sheets

	June 30, 2008	March 31, 2008	March 31, 2007
<u>ASSETS</u>	(unaudited)		
Current Assets			
Cash and cash equivalents	\$ 3,807	\$ 33,097	\$ 82
Accounts receivable, net of allowance of \$14,000	1,244,972	1,313,638	551,880
Inventory	403,171	438,985	127,432
Prepaid expenses	409	403	1,615
Other assets	3,553	-	-
Available for sale securities (Note 6)	15,350	13,450	-
Total current assets	1,671,262	1,799,573	681,009
Property and equipment			
Furniture and fixtures	12,831	12,621	9,944
Machinery and equipment	266,532	259,797	235,367
Buildings	267,036	262,671	234,192
Land	49,451	48,643	43,369
	595,850	583,732	522,872
Less accumulated depreciation	(169,304)	(156,053)	(101,824)
Property and equipment, net	426,546	427,679	421,048
TOTAL ASSETS	\$ 2,097,808	\$ 2,227,252	\$ 1,102,057
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>			
Current Liabilities			
Checks drawn in excess of bank balances	\$ 162,845	\$ -	\$ 17,309
Accounts payable	189,582	530,548	80,271
Accrued liabilities	294,320	307,243	165,001
Income taxes payable	13,614	60,667	45,337
Current portion of long-term debt (Note 3)	-	-	10,648
Short-term debt, related party (Note 3)	197,804	194,571	-
Total current liabilities	858,165	1,093,029	318,566
Long-term liabilities (Note 3)	-	-	35,166
Total liabilities	858,165	1,093,029	353,732
Stockholders' Equity			
Common stock, no par value; unlimited number of shares authorized, 200 shares issued and outstanding at June 30, 2008, March 31, 2008 and March 31, 2007	173	173	173
Retained earnings	1,124,932	1,038,327	744,800
Accumulated other comprehensive income	114,538	95,723	3,352
Total Stockholders' Equity	1,239,643	1,134,223	748,325
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,097,808	\$ 2,227,252	\$ 1,102,057

The accompanying notes are an integral part of these financial statements

Profire Combustion Inc.
Statements of Operations and Comprehensive Income

	Three months ended June 30, 2008 (unaudited)	Year ended March 31, 2008	Year ended March 31, 2007
REVENUE			
Sales of goods, net of returns, allowances and discounts	\$ 949,033	\$ 3,569,373	\$ 1,426,087
Sales of services, net of returns, allowances and discounts	215,543	783,163	732,028
Total revenues	<u>1,164,576</u>	<u>4,352,536</u>	<u>2,158,115</u>
COST OF GOODS SOLD	<u>673,232</u>	<u>2,591,562</u>	<u>1,008,215</u>
GROSS PROFIT	491,344	1,760,974	1,149,900
General and administrative expenses	257,858	985,899	641,138
Payroll expense	124,403	365,640	166,595
Depreciation expense	11,112	51,434	52,715
	<u>393,373</u>	<u>1,402,973</u>	<u>860,448</u>
Other income (expense)			
Impairment in value of available for sale securities	-	(20,560)	-
Gain on sale of fixed assets	2,272	27,056	-
Interest expense	(15)	(10,597)	(7,938)
Interest income	-	12	4
Total other income (expense)	<u>2,257</u>	<u>(4,089)</u>	<u>(7,934)</u>
INCOME BEFORE TAXES	100,228	353,912	281,518
Provision for income tax expense (Note 5)	<u>13,623</u>	<u>60,385</u>	<u>45,906</u>
NET INCOME	86,605	293,527	235,612
Foreign currency translation adjustment	<u>18,815</u>	<u>92,371</u>	<u>3,352</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 105,420</u>	<u>\$ 385,898</u>	<u>\$ 238,964</u>
BASIC AND DILUTED EARNINGS PER SHARE			
Net income per common share - basic and diluted	<u>\$ 433.02</u>	<u>\$ 1,467.64</u>	<u>\$ 1,178.06</u>
Weighted average number of shares used to determine net income per share	<u>200</u>	<u>200</u>	<u>200</u>

The accompanying notes are an integral part of these financial statements

Profire Combustion Inc.
Statements of Stockholders' Equity
For the Three Months Ended June 30, 2008 (unaudited) and the Years Ended March 31, 2008 and 2007

	Common Stock		Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount			
Balance, March 31, 2006	200	\$ 173	\$ 509,188	\$ -	\$ 509,361
Foreign currency translation	-	-	-	3,352	3,352
Net income	-	-	235,612	-	235,612
Balance, March 31, 2007	200	173	744,800	3,352	748,325
Foreign currency translation	-	-	-	92,371	92,371
Net income	-	-	293,527	-	293,527
Balance, March 31, 2008	200	173	1,038,327	95,723	1,134,223
Foreign currency translation	-	-	-	18,815	18,815
Net income	-	-	86,605	-	86,605
Balance June 30, 2008	200	\$ 173	\$ 1,124,932	\$ 114,538	\$ 1,239,643

The accompanying notes are an integral part of these financial statements

Profire Combustion Inc.
Statements of Cash Flows

	Three months ended June 30, 2008	Year ended March 31, 2008	Year ended March 31, 2007
	(unaudited)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 86,605	\$ 293,527	\$ 235,612
Adjustments to reconcile net income to net cash (used in) provided by operating activities			
Depreciation	11,112	41,638	52,705
Loss (gain) on sale of equipment	(2,272)	27,056	-
Changes in operating assets and liabilities:			
Trade receivables	90,554	(691,188)	(224,897)
Prepaid expenses	-	1,402	10,053
Inventory	43,139	(294,584)	(64,677)
Accounts payable	(359,892)	438,325	(30,589)
Accrued liabilities	(56,270)	131,337	213,798
Provision for decrease (increase) in value of available for sale securities	-	20,560	-
Decrease in other assets	(3,331)	-	1,198
Net cash (used in) provided by operating activities	(190,355)	(31,927)	193,203
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of equipment	4,379	6,776	-
Purchase of property and equipment	(6,875)	(31,122)	(209,080)
Purchase of available for sale securities	-	(33,881)	-
Net cash (used in) investing activities	(2,496)	(58,227)	(209,080)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayments of) proceeds from checks drawn in excess of bank balances	162,959	(19,318)	17,524
Proceeds from long-term notes	-	193,603	-
Repayment of long-term debt	-	(51,130)	(10,780)
Net cash provided by financing activities	162,959	123,155	6,744
Effect of foreign currency translation adjustment	602	14	148
NET INCREASE (DECREASE) IN CASH	(29,290)	33,015	(8,985)
CASH, BEGINNING OF PERIOD	33,097	82	9,067
CASH, END OF PERIOD	\$ 3,807	\$ 33,097	\$ 82
SUPPLEMENTAL CASH FLOW INFORMATION			
Cash Payments For:			
Interest:	\$ 15	\$ 10,594	\$ 7,936
Income taxes:	\$ 61,719	\$ 45,337	\$ 26,079

The accompanying notes are an integral part of these financial statements

Profire Combustion Inc.
Notes to the Financial Statements

For the Three Months Ended June 30, 2008 (unaudited), and the Years Ended March 31, 2008 and 2007

Note 1 – Summary of Significant Accounting Policies

This summary of significant accounting policies of Profire Combustion Inc. (“the Company”) is presented to assist in understanding the Company’s financial statements. The financial statements and notes are representations of the Company’s management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (US GAAP) and have been consistently applied in the preparation of the financial statements. All necessary adjustments have been made to present the financial statements in accordance with US GAAP.

Organization and Line of Business

The Company was incorporated on March 6, 2002 in the province of Alberta, Canada.

The Company provides products and services for burners and heaters for the oil and gas industry in the Canadian and US markets.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reportable amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Earnings Per Share

The computation of net income (loss) per share of common stock is based on the weighted average number of shares outstanding during the periods presented. The net earnings per shares for the three months ended June 30, 2008 and the years ended March 31, 2008 and 2007 are as follows:

	Three months ended	Years ended March 31,	
	June 30, 2008	2008	2007
Net income applicable to common shareholders	\$ 86,605	\$ 293,527	\$ 235,612
Weighted average shares outstanding	200	200	200
Net earnings per share	<u>\$ 433.02</u>	<u>\$ 1,467.64</u>	<u>\$ 1,178.06</u>

Foreign Currency and Comprehensive Income

The Company’s functional currency is the Canadian dollar (CAD). The financial statements of the Company were translated to USD using year-end exchange rates for the balance sheet, and average exchange rates for the statements of operations. Equity transactions were translated using historical rates. The period-end exchange rates of 1.0111, 1.0279 and 1.1529 were used to convert the Company’s June 30, 2008, March 31, 2008 and 2007 balance sheets, respectively, and the statements of operations used weighted average rates of 1.01039, 1.0327 and 1.1386 for the three months ended June 30, 2008, and the years ended March 31, 2008 and 2007, respectively. All amounts in the financial statements and footnotes are presumed to be stated in USD, unless otherwise identified. Foreign currency translation gains or losses as a result of fluctuations in the exchange rates are reflected in the Statement of Operations and Comprehensive Income.

Accounting Method and Fiscal Year

The Company’s financial statements are prepared using the accrual method of accounting. The Company has elected a fiscal year ending on March 31.

Profire Combustion Inc.
Notes to the Financial Statements

For the Three Months Ended June 30, 2008 (unaudited), and the Years Ended March 31, 2008 and 2007

Note 1 – Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Company records sales when a firm sales agreement is in place, delivery has occurred or services have been rendered, and collectability of the fixed or determinable sales price is reasonably assured. If customer acceptance of products is not assured, the Company records sales only upon formal customer acceptance.

Income Taxes

The Company is subject to Canadian income taxes on its world-wide income with a credit provided for foreign taxes paid. The Company is a Canadian-controlled private corporation and receives a small business deduction that applies to the first \$400,000 of income. The effective rates of income tax are 13.6%, 17.1% and 16.3% for the periods ended June 30, 2008, March 31, 2008 and 2007 respectively.

For the periods ended June 30, 2008, March 31, 2008 and 2007, the Company has deferred income tax assets of \$927, \$562, and \$4,464.

Accounts Receivable

Receivables from the sale of goods and services are stated at net realizable value. This value includes an appropriate allowance for estimated uncollectible accounts. The allowance is calculated based on past collectability and customer relationships. The Company did not find it necessary to record an allowance for doubtful accounts for the periods ended June 30, 2008, March 31, 2008 and 2007 since it determined that all accounts are collectible.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include cash and all debt securities with an original maturity of 90 days or less.

As of June 30, 2008, and March 31, 2008 and 2007, book balances totaled \$3,807, \$33,097 and \$82, respectively. These deposits were insured entirely by insurance accounts held by the Company's banks guaranteed by the Province of Alberta, Canada.

Inventory

In accordance with ARB No. 43 "Inventory Pricing," the Company's inventory is valued at the lower of cost (the purchase price, including additional fees) or market based on using the entire value of inventory.

Inventories are determined based on the first-in first-out (FIFO) basis. Inventory consists of finished goods (98%) held for sale and work in progress (2%).

Property and Equipment

Property and equipment is stated at cost. Depreciation on property and equipment is computed using the diminishing balance method over the estimated useful lives of the assets. The estimated useful lives of the assets are as follows:

<u>Assets</u>	<u>Estimated useful life</u>
Furniture and fixtures	10 Years
Machinery and equipment	7-10 Years
Buildings	50 Years

	<u>Depreciation Expense</u>		
	<u>Three months ended</u>	<u>Years ended March 31,</u>	
	<u>June 30, 2008</u>	<u>2008</u>	<u>2007</u>
Cost of goods sold	\$ -	\$ -	\$ -
General & administrative	11,112	51,434	52,715
Total	<u>\$ 11,112</u>	<u>\$ 51,434</u>	<u>\$ 52,715</u>

Profire Combustion Inc.
Notes to the Financial Statements
For the Three Months Ended June 30, 2008, and the Years Ended March 31, 2008 and 2007

Note 1 – Summary of Significant Accounting Policies (continued)

Shipping and handling fees and costs

The Company records all amounts billed to customers related to shipping and handling fees as revenue.

The Company classifies expenses for shipping and handling costs as general and administrative expenses. The Company incurred shipping and handling costs of \$8,119, \$9,112 and \$6,846 during the three months ended June 30, 2008, and the years ended March 31, 2008 and 2007, respectively.

Advertising costs

The company classifies expenses for advertising as general and administrative expenses. The company incurred advertising costs of \$5,051, \$18,235 and \$12,750 during the three months ended June 30, 2008, and the years ended March 31, 2008 and 2007, respectively.

Recently Issued Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 160 “*Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51.*” This statement amends ARB 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. The statement requires consolidated net income to be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest. It also requires disclosure, on the face of the consolidated statement of income, of the amounts of consolidated net income attributable to the parent and to the noncontrolling interest. This statement is effective for fiscal years beginning on or after December 15, 2008. The statement applies prospectively as of the beginning of the fiscal year in which this is applied.

In December 2007, the FASB issued SFAS No. 141(R) “*Business Combinations.*” This statement replaces FASB Statement No. 141, “*Business Combinations.*” This statement retains the fundamental requirements in Statement 141 that the acquisition method of accounting be used for all business combinations and for an acquirer to be identified for each business combination. This statement defines the acquirer as the entity that obtains control of one or more businesses in the business combination and establishes the acquisition date as the date that the acquirer achieves control. This statement requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date, with limited exceptions specified in the statement. This Statement requires the costs incurred to effect the acquisition (acquisition-related costs) to be recognized separately from the acquisition. Also, this statement requires the acquirer to recognize those restructuring costs separately from the business combination. This statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008.

In March of 2008, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 161, “*Disclosures about Derivative Instruments and Hedging Activities*”—an amendment of FASB Statement No. 133, “*Accounting for Derivatives and Hedging Activities.*” SFAS No. 161 has the same scope as Statement No. 133 but requires enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement No. 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity’s financial position, financial performance, and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The statement encourages, but does not require, comparative disclosures for earlier periods at initial adoption. SFAS No. 161 has no effect on the Company’s financial position, statements of operations, or cash flows at this time.

Profire Combustion Inc.
Notes to the Financial Statements

For the Three Months Ended June 30, 2008 (unaudited), and the Years Ended March 31, 2008 and 2007

Note 1 – Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements (continued)

In May of 2008 the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 163, "Accounting for Financial Guarantee Insurance – an interpretation of FASB Statement No. 60, Accounting and Reporting by Insurance Enterprises". This statement requires that an insurance enterprise recognize a claim liability prior to an event of default (insured event) when there is evidence that credit deterioration has occurred in an insured financial obligation. This statement also clarifies how Statement 60 applies to financial guarantee insurance contracts. This statement is effective for fiscal years beginning after December 15, 2008. This statement has no effect on the Company's financial reporting at this time.

In May of 2008, the FASB issued Statement No. 162, "The Hierarchy of Generally Accepted Accounting Principles." This statement identifies literature established by the FASB as the source for accounting principles to be applied by entities which prepare financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States. This statement is effective 60 days following approval by the SEC of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles." This statement will require no changes in the Company's financial reporting practices.

None of the above new pronouncements has current application to the Company, but may be applicable to the Company's future financial reporting.

Note 2 – Debt

The long-term and short-term debt consists of the following:

Lender	Blended Monthly Payments	Interest Rate	Matures in	June 2008	Loan balance March 2008	March 2007
Truck loan GMAC Canada	\$1,009	2.9%	2011	\$ -	\$ -	\$45,814
Promissory note from stockholders	-	0%	2009	197,804	194,571	
Less: short-term debt and current portion of long-term debt				(194,804)	(194,571)	(10,648)
Long-term debt, less current portion				\$ -	\$ -	\$35,166

At March 31, 2007, a vehicle with a carrying value of \$34,153 was pledged as security against the loan from GMAC Canada. The loan was paid in full during the 2008 fiscal year.

In 2008, two of the stockholders lent funds of \$200,000 Canadian Dollars (the Company's functional currency) by way of an unsecured promissory note, which is non-interest bearing and is due March 30, 2009. This balance has been converted to USD as of March 31, 2008 at a rate of 1.0279 to \$194,571 for balance sheet reporting and an average rate of 1.0327 to \$193,603 for purposes of the statement of cash flows for the year ended March 31, 2008. The \$200,000 balance was converted at a rate of 1.0111 to \$197,804 US Dollars for balance sheet reporting as of June 30, 2008.

Imputed interest was calculated on the shareholder loans as of the dates of the balance sheets using the prime rate in effect as of the date of the note and was determined by management to have an immaterial impact on the financial statements.

Profire Combustion Inc.
Notes to the Financial Statements

For the Three Months Ended June 30, 2008 (unaudited), and the Years Ended March 31, 2008 and 2007

Note 3 – Stockholders' Equity

The Company had the following authorized stock:

An unlimited number of no par value shares:

- Class A Voting common stock,
- Class B Voting common stock,
- Class C Non-voting common stock,
- Class D Non-voting common stock,
- Class E Preferred, non-voting stock,
- Class F Preferred voting stock, and

The Company had issued 200 shares of Class A common stock.

Note 4 – Financial Instruments

For accounts receivable, accounts payable, accrued liabilities, current portion of long-term debt and long-term debt, the carrying amounts of these financial instruments approximates their fair value. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Note 5 – Provision for Income tax

RECONCILIATION OF CANADIAN FEDERAL/PROVINCIAL STATUTORY INCOME TAX RATE TO EFFECTIVE INCOME TAX RATE

	<u>June 2008</u>	<u>March 2008</u>	<u>March 2007</u>
Canadian federal and provincial statutory rate	29.5%	31.5%	32.1%
Decrease in rate on income subject to the small business deduction	(15.9)	(16.3)	(16.1)
Increase in rate resulting from non-deductible expenses	(15.9)	(0.1)	(0.3)
Effective income tax rate	<u>13.6%</u>	<u>17.1%</u>	<u>16.3%</u>

The following are temporary items: Increase in rate resulting from non-deductible write-down of marketable securities, increase in rate resulting from depreciation and loss on equipment for book purposes in excess of depreciation for income tax purposes and decrease in rate resulting from depreciation and loss on equipment for book purposes in excess of depreciation for income tax purposes. These temporary differences are insignificant.

Profire Combustion Inc.
Notes to the Financial Statements

For the Three Months Ended June 30, 2008 (unaudited), and the Years Ended March 31, 2008 and 2007

Note 6 – Available for sale securities

The following table sets forth the available for sale securities held by the Company as of March 31, 2008:

<u>Company name</u>	<u>Symbol</u>	<u>Shares</u>	<u>Market value (USD) as of 3/31/08</u>	<u>Fair market value (USD)</u>
Copper King Mining Corporation	CPRK	50,000	\$ 0.053	\$ 2,650
Deep Blue Marine Inc.	DPBE	1,200,000	0.009	10,800
Total value of trading securities				<u>\$ 13,450</u>

The following table sets forth the available for sale securities held by the Company as of June 30, 2008:

<u>Company name</u>	<u>Symbol</u>	<u>Shares</u>	<u>Market value (USD) as of 6/30/08</u>	<u>Fair market value (USD)</u>
Copper King Mining Corporation	CPRK	50,000	\$ 0.063	\$ 3,150
Deep Blue Marine Inc.	DPBE	1,200,000	0.010	12,200
Total value of trading securities				<u>\$ 15,350</u>

Profire Combustion, Inc.
D CONDENSED COMBINED PRO FORMA BALANCE SHEET

Profire Combustion, Inc.	Combined	Pro Forma	AJE	Adjusted ProForma
, 2008	Totals	Adjustments		Totals
\$ 33,097	\$ 33,837	\$ -		\$ 33,837
1,313,638	1,313,638	-		1,313,638
438,985	438,985	-		438,985
13,853	13,853	-		13,853
1,799,573	1,800,313	-		1,800,313
427,679	427,679	-		427,679
-	5,230	-		5,230
\$ 2,227,252	\$ 2,233,222	\$ -		\$ 2,233,222
\$ 530,548	\$ 631,372	\$ -		\$ 631,372
194,571	1,336,564	-		1,336,564
-	-	-		-
307,243	316,210	-		316,210
60,667	83,431	-		83,431
1,093,029	2,367,577	-		2,367,577
-	137,211	-		137,211
-	1,044,009	-		1,044,009
-	1,181,220	-		1,181,220
1,093,029	3,548,797	-		3,548,797
-	-	-		-
173	19,743	35,000	[1]	45,000
		(173)	[4]	
		(9,570)	[2]	
		-		
1,038,327	1,798,836	(35,000)	[1]	(1,456,298)
		(3,229,877)	[3]	
		9,570	[2]	
		173	[4]	
95,723	(3,134,154)	3,229,877	[3]	95,723
1,134,223	(1,315,575)	-		(1,315,575)
\$ 2,227,252	\$ 2,233,222	\$ -		\$ 2,233,222

- [1] To record the issuance of 35 million shares of The Flooring Zone, Inc. common stock to acquire 100% of the issued and outstanding common stock of Profire Combustion, Inc.
- [2] To record the cancellation of The Flooring Zone, Inc. shares leaving 10,000,000 shares outstanding immediately prior to the acquisition
- [3] To eliminate accumulated deficit of The Flooring Zone, Inc.
- [4] To eliminate the common stock of Profire Combustion, Inc.

Profire Combustion, Inc.
UNAUDITED CONDENSED COMBINED PRO FORMA STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2007 AND MARCH 31, 2008, RESPECTIVELY

	The Flooring Zone, Inc. (Shell) for the Year Ended December 31, 2007	Profire Combustion, Inc. for the Year Ended March 31, 2008	Combined Totals	Adjustments	Pro-Forma Adjusted Combined Totals
REVENUES					
Sales revenue	\$ -	\$ 3,569,373	\$ 3,569,373	\$ -	\$ 3,569,373
Other revenue	-	783,163	783,163	-	783,163
Total Revenues	<u>-</u>	<u>4,352,536</u>	<u>4,352,536</u>	<u>-</u>	<u>4,352,536</u>
COST OF SALES					
	<u>-</u>	<u>2,591,562</u>	<u>2,591,562</u>	<u>-</u>	<u>2,591,562</u>
GROSS PROFIT					
	<u>-</u>	<u>1,760,974</u>	<u>1,760,974</u>	<u>-</u>	<u>1,760,974</u>
OPERATING EXPENSES					
General and administrative	58,280	1,351,539	1,409,819	-	1,409,819
Depreciation and depletion	-	51,434	51,434	-	51,434
Total Costs and Expenses	<u>58,280</u>	<u>1,402,973</u>	<u>1,461,253</u>	<u>-</u>	<u>1,461,253</u>
OPERATING INCOME (LOSS)	<u>(58,280)</u>	<u>358,001</u>	<u>299,721</u>	<u>-</u>	<u>299,721</u>
OTHER INCOME (EXPENSE)					
Interest expense	(131,742)	(10,597)	(142,339)	-	(142,339)
Impairment of securities	-	(20,560)	(20,560)	-	(20,560)
Gain on sale of assets	-	27,056	27,056	-	27,056
Other income	-	12	12	-	12
Total Other Income (Expense)	<u>(131,742)</u>	<u>(4,089)</u>	<u>(135,831)</u>	<u>-</u>	<u>(135,831)</u>
LOSS BEFORE INCOME TAXES	<u>(190,022)</u>	<u>353,912</u>	<u>163,890</u>	<u>-</u>	<u>163,890</u>
INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX					
	14,749	-	14,749	-	14,749
INCOME TAX EXPENSE	<u>-</u>	<u>60,385</u>	<u>60,385</u>	<u>-</u>	<u>60,385</u>
NET INCOME (LOSS)	<u>(175,273)</u>	<u>293,527</u>	<u>118,254</u>	<u>-</u>	<u>118,254</u>
FOREIGN CURRENCY TRANSLATION					
	<u>-</u>	<u>92,371</u>	<u>92,371</u>	<u>-</u>	<u>92,371</u>
NET COMPREHENSIVE INCOME (LOSS)	<u>\$ (175,273)</u>	<u>\$ 385,898</u>	<u>\$ 210,625</u>	<u>\$ -</u>	<u>\$ 210,625</u>
INCOME (LOSS) PER SHARE					
	<u>\$ (0.01)</u>	<u>\$ 1,929.49</u>			<u>\$ 0.00</u>
WEIGHTED AVERAGE SHARES	<u>19,569,750</u>	<u>200</u>		<u>25,430,050</u>	<u>45,000,000</u>

Profire Combustion, Inc.
CONDENSED COMBINED PRO FORMA BALANCE SHEET

Profire Combustion, Inc.	Combined Totals	Pro Forma Adjustments	AJE	Adjusted ProForma Totals
\$ 3,807	\$ 4,407	\$ -		\$ 4,407
1,244,972	1,244,972	-		1,244,972
403,171	403,171	-		403,171
19,312	19,312	-		19,312
<u>1,671,262</u>	<u>1,671,862</u>	<u>-</u>		<u>1,671,862</u>
426,546	426,546	-		426,546
<u>\$ 2,097,808</u>	<u>\$ 2,098,408</u>	<u>\$ -</u>		<u>\$ 2,098,408</u>
\$ 189,582	\$ 212,627	\$ -		\$ 212,627
197,804	244,244	-		244,244
162,845	162,845	-		162,845
294,320	294,320	-		294,320
13,614	13,614	-		13,614
<u>858,165</u>	<u>927,650</u>	<u>-</u>		<u>927,650</u>
-	0	-		-
-	0	-		-
<u>858,165</u>	<u>927,650</u>	<u>-</u>		<u>927,650</u>
-	0	-		-
173	16,398	35,000	[1]	45,000
		(173)	[4]	
		(6,225)	[2]	
		-		
1,124,932	4,328,019	(35,000)	[1]	1,011,220
		(3,288,197)	[3]	
		6,225	[2]	
		173	[4]	
114,538	(3,173,659)	3,288,197	[3]	114,538
<u>1,239,643</u>	<u>1,170,758</u>	<u>-</u>		<u>1,170,758</u>
<u>\$ 2,097,808</u>	<u>\$ 2,098,408</u>	<u>\$ -</u>		<u>\$ 2,098,408</u>

Common stock to acquire 100% of the issued and outstanding common stock of Profire

100,000 shares outstanding immediately prior to the acquisition

Profire Combustion, Inc.
UNAUDITED CONDENSED COMBINED PRO FORMA STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED JUNE 30, 2008

	The Flooring Zone, Inc. (Shell)	Profire Combustion, Inc.	Combined	Adjustments	Pro-Forma Adjusted Combined
	For the Three Months Ended June 30, 2008		Totals	Totals	Totals
REVENUES					
Sales revenue	\$ -	\$ 949,033	\$ 949,033	\$ -	\$ 949,033
Service revenue	-	215,543	215,543	-	215,543
Total Revenues	-	1,164,576	1,164,576	-	1,164,576
COST OF SALES					
	-	673,232	673,232	-	673,232
GROSS PROFIT					
	-	491,344	491,344	-	491,344
OPERATING EXPENSES					
General and administrative	27,829	382,261	410,090	-	410,090
Depreciation	-	11,112	11,112	-	11,112
Total Costs and Expenses	27,829	393,373	421,202	-	421,202
OPERATING INCOME (LOSS)					
	(27,829)	97,971	70,142	-	70,142
OTHER INCOME (EXPENSE)					
Interest expense	(30,492)	(15)	(30,507)	-	(30,507)
Other income	-	2,272	2,272	-	2,272
Total Other Income (Expense)	(30,492)	2,257	(28,235)	-	(28,235)
INCOME BEFORE INCOME TAXES					
	(58,321)	100,228	41,907	-	41,907
INCOME TAX EXPENSE					
	-	13,623	13,623	-	13,623
NET INCOME (LOSS)					
	(58,321)	86,605	28,284	-	28,284
FOREIGN CURRENCY TRANSLATION					
	-	18,815	18,815	-	18,815
NET COMPREHENSIVE INCOME (LOSS)					
	\$ (58,321)	\$ 105,420	\$ 47,099	\$ -	\$ 47,099
INCOME (LOSS) PER SHARE					
	\$ (0.00)	\$ 527.10			\$ 0.00
WEIGHTED AVERAGE SHARES					
	19,551,371	200		25,448,429	45,000,000

BYLAWS

OF

THE FLOORING ZONE, INC.
(As Amended through October 8, 2008)

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BYLAWS
OF
THE FLOORING ZONE, INC.
(As Amended through October 8, 2008)

ARTICLE I

OFFICE

Section 1.1 Office The principal office of the Corporation outside the State of Nevada shall be located at 1245 Brickyard Road, Suite 590, Salt Lake City, Utah 84106. The Corporation may maintain such other offices, within or without the State of Nevada, as the Board of Directors may from time to time designate. The location of the principal office may be changed by the Board of Directors.

ARTICLE II

SHAREHOLDERS' MEETING

Section 2.1 Annual Meetings The annual meeting of the shareholders of the Corporation shall be held at such place within or without the State of Nevada as shall be set forth in compliance with these Bylaws. The meeting shall be held on the 1st Thursday of September of each year beginning with the year 2003 at 10:00 a.m. If such day is a legal holiday, the meeting shall be on the next business day. This meeting shall be for the election of directors and for the transaction of such other business as may properly come before it.

No change of the time or place of a meeting for the election of directors, as fixed by the Bylaws, shall be made within sixty (60) days before the election is to be held. In case of any change in such time or place for such

election of directors, notice thereof shall be given to each stockholder entitled to vote, in person, or by letter mailed to his last known post office address as shown on the Corporate books, ten (10) days before the election is held.

In the event that such annual meeting is omitted by oversight or otherwise on the date herein provided for, the directors shall cause a meeting in lieu thereof to be held as soon thereafter as conveniently may be called, and any business transacted or elections held at such meeting shall be as valid as if transacted or held at the annual meeting. If the election of directors shall not be held on the date designated herein for an annual meeting of shareholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of shareholders as soon thereafter as may conveniently be called. Such subsequent meetings shall be called in the same manner as is provided for the annual meeting of shareholders.

Section 2.2 Special Meetings. Special meetings of shareholders, other than those regulated by statute, may be called at any time by the President, by the Chairman of the Board or by a majority of the directors, and must be called by the President upon written request of the holders of not less than 10% of the issued and outstanding shares entitled to vote at such special meeting.

Section 2.3 Notice of Shareholders' Meetings. The President, Vice President and Secretary shall give written notice stating the place, day and hour of the meeting, and in the case of a special meeting the purpose or purposes for which the meeting is called, which shall be delivered not less than ten (10) nor more than sixty (60) days before the day of the meeting, either personally or by mail to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the books of the Corporation, with postage thereon prepaid.

Any meeting of which all shareholders shall at any time waive or have waived notice in writing shall be a legal meeting for the transaction of business notwithstanding that notice has not been given as hereinbefore provided.

Section 2.4 Waiver of Notice. Whenever any notice is required to be given by these Bylaws, or the Articles of Incorporation, or by any of the Corporation Laws of the State of Nevada, a shareholder may waive the notice of meeting by attendance, either in person or by proxy, at the meeting, or by so stating in writing, either before or after such meeting. Attendance at a meeting for the express purpose of objecting that the meeting was not lawfully called or convened shall not, however, constitute a waiver of notice.

Section 2.5 Place of Meeting. The Board of Directors may designate any place, either within or without the State of Nevada, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the office of the Corporation, in the City of Brunswick, Georgia.

Section 2.6 Closing of Transfer Books or Fixing Records Date. For the purpose of determining shareholders entitled to notice or to vote at any meeting of shareholders or any adjournment thereof, or shareholder entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors of the Corporation may provide that the stock transfer books be closed for a period not to exceed in any case fifty (50) days. If the stock transfer books shall be closed for the purpose of determining shareholders, such books shall be closed for at least ten (10) days immediately preceding the date determined to be the date of record. In lieu of closing the stock transfer books, the Board of Directors

may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than sixty (60) days and in case of a meeting of shareholders not less than ten (10) days prior to the date on which the particular action requiring such determination of shareholders is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice or to vote at a meeting of shareholders or shareholders entitled to receive payment of a dividend, the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be deemed the record for such determination of shareholders. 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.

Section 2.7 Quorum of Shareholders. Except as herein provided and as otherwise provided by law, at any meeting of shareholders a majority in interest of all the shares issued and outstanding represented by shareholders of record in person or by proxy shall constitute a quorum, but a less interest may adjourn any meeting and the meeting may be held as adjourned without further notice; provided, however, that directors shall not be elected at the meeting so adjourned.

If notice of such adjourned meeting is sent to the stockholders entitled to receive the same, such notice also containing a statement for the purpose of the meeting and that the previous meeting failed for lack of a quorum, and that under the provisions of this Section it is proposed to hold the adjourned meeting with a quorum of those present, then any number of stockholders, in person or by proxy, shall constitute a quorum at such meeting unless otherwise provided by statute. When a quorum is present at any meeting, a majority in interest of the shares represented thereat shall decide any question brought before such meeting, unless the

question is one upon which the express provision of law or of the Articles of Incorporation or of these Bylaws a larger or different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 2.8 Voting Lists. The officer or agent having charge of the stock transfer books for shares of the Corporation shall make a complete list of the shareholders entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each, which list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder, for any purpose germane to the meeting, during the whole time of the meeting. The original stock transfer books shall be prima-facie evidence as to which shareholders are entitled to examine such list or transfer books or to vote at any meeting of shareholders.

Failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting of the shareholders.

Section 2.9 Voting. A holder of an outstanding share entitled to vote at a meeting may vote at such meeting in person or by proxy. Except as may otherwise be provided in the Articles of Incorporation, every shareholder shall be entitled to one vote for each share outstanding in his name on the record of shareholders. Except as herein or in the Articles of Incorporation otherwise provided, all corporate action shall be determined by a majority of the votes cast at a meeting of shareholders by the holders of shares entitled to vote thereon.

Section 2.10 Proxies. At all meetings of shareholders, a shareholder may vote in person or by proxy executed in writing by the shareholder or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

Section 2.11 Informal Action by Shareholders. Any action required to be taken at a meeting of the shareholders, or any action which may be taken at a meeting of the shareholders, may be taken without a meeting of the shareholders, if before or after the action, a written consent, setting forth the action so taken, is signed by shareholders holding at least a majority of the voting power entitled to vote with respect to the subject matter thereof.

ARTICLE III

BOARD OF DIRECTORS

Section 3.1 General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors may adopt such rules and regulations for the conduct of their meetings and the management of the Corporation as they deem proper.

Section 3.2 Number, Tenure and Qualifications. The number of directors for the Board of Directors of the Corporation shall be not less than two (2) nor more than seven (7). Each director shall hold office until the next annual meeting of the shareholders and until his successor shall have been elected and qualified. Directors need not be residents of the State of Nevada or shareholders of the Corporation.

Section 3.3 Election of the Board of Directors. The Board of Directors shall be chosen by ballot at the annual meeting of shareholders or at any meeting held in place thereof as provided by law.

Section 3.4 Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than by this Bylaw, immediately following and at the same place as the annual meeting of the

shareholders. The Directors may hold their meetings and have one or more offices, and keep the books of the corporation outside the State of Nevada, at any office or offices of the Corporation or at any other place as they may from time to time by resolution determine.

Members of the Board of Directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other and participation in a meeting under this subsection shall constitute presence in person at the meeting, pursuant to Nevada Revised Statute, Section 78.315.

Section 3.5 Special Meeting. Special meetings of the Board of Directors may be called by order of the Chairman of the Board, the President or by one-third of the directors. The Secretary shall give notice of the time, place and purpose or purposes of each special meeting by mailing the same at least two days before the meeting or by telephoning or telegraphing the same at least one day before the meeting to each director.

Section 3.6 Waiver of Notice. Whenever any notice whatsoever is required to be given by these Bylaws, or the Articles of Incorporation of the Corporation, or by any of the Corporation Laws of the State of Nevada, a director may waive the notice of meeting by attendance in person at the meeting, or by so stating in writing, either before or after such meeting. Attendance at a meeting for the express purpose of objecting that the meeting was not lawfully called or convened shall not, however, constitute a waiver of notice.

Section 3.7 Quorum. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business, but less than a quorum may adjourn any meeting from time to time until a quorum shall be present, whereupon the meeting may be held, as adjourned, without further notice. At any meeting at which every director shall be present, even though without any notice, any business may be transacted.

Section 3.8 Manner of Acting. At all meetings of the Board of Directors, each director shall have one vote. The act of a majority present at a meeting shall be the act of the Board of Directors, provided a quorum is present. Any action required to be taken or which may be taken at a meeting of the Board of Directors, may be taken without a meeting of the Directors, if a consent in writing setting forth the action so taken shall be signed by all the directors. The directors may conduct a meeting by means of a conference telephone or any similar communication equipment by which all persons participating in the meeting can hear each other.

Section 3.9 Powers of Directors. The Board of Directors shall have the responsibility for the entire management of the business of the Corporation. In the management and control of the property, business and affairs of the Corporation, the Board of Directors is hereby vested with all of the powers possessed by the Corporation itself so far as this delegation of authority is not inconsistent with the laws of the State of Nevada and with the Articles of Incorporation or with these Bylaws. The Board of Directors shall have the power to determine what constitutes net earnings, profits and surplus, respectively, and what amounts shall be reserved for working capital and for any other purpose and what amounts shall be declared as dividends, and such determination by the Board of Directors shall be final and conclusive.

Section 3.10 Specific Powers of Directors. Without prejudice to such general powers, it is hereby expressly declared that the directors shall have the following powers to-wit:

- (1) To adopt and alter a common seal of the corporation.

- (2) To make and change regulations, not inconsistent with these By-Laws, for the management of the corporation's affairs and business.
- (3) To purchase or otherwise acquire for the corporation any property, rights or privileges which the corporation is authorized to acquire.
- (4) To pay for any property purchased for the corporation either wholly or partly in money, stock, bonds, debentures or other securities of the corporation.
- (5) To borrow money and to make and issue notes, bonds, and other negotiable and transferable instruments, mortgages, deeds of trust and trust agreements, and to do every act and thing necessary to effectuate the same.
- (6) To remove any officer for cause, or any officer other than the President summarily without cause, and in their discretion, from time to time, to develop the powers and duties of any officer upon any other person for the time being.
- (7) To appoint and remove or suspend such subordinate officers, agents or factors as they may deem necessary and to determine their duties and fix, and from time to time change their salaries or remuneration, and to require security as and when they think fit.
- (8) To confer upon any officer of the corporation the power to appoint, remove and suspend subordinate officers, agents and factors.
- (9) To determine who shall be authorized on the corporation's behalf to make and sign bills, notes, acceptances, endorsements, checks, releases, receipts, contracts and other instruments.

- (10) To determine who shall be entitled to vote in the name and behalf of the corporation, or to assign and transfer, any shares of stock, bonds, or other securities of other corporations held by this corporation.
- (11) To delegate any of the powers of the Board in relation to the ordinary business of the corporation to any standing or special committee, or to any officer or agent (with power to sub-delegate), upon such terms as they think fit.
- (12) To call special meetings of the stockholders for any purpose or purposes.
- (13) The directors shall have the right and the power to propose any amendment to the By-Laws of this corporation at any meeting whether called for that purpose or not and to submit to the next regular meeting of directors said proposal or amendment to the By-Laws of this corporation.

Section 3.11 Vacancies. A vacancy in the Board of Directors shall be deemed to exist in case of death, resignation or removal of any director, or if the authorized number of directors be increased, or if the shareholders fail at any meeting of shareholders at which any director is to be elected, to elect the full authorized number to be elected at that meeting.

Any vacancy occurring in the Board of Directors may be filled by an affirmative vote of the majority of the remaining directors though less than a quorum of the Board of Directors, unless otherwise provided by law or the Articles of Incorporation. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at the annual meeting or at a special meeting of shareholders called for that purpose.

Section 3.12 Removals. Directors may be removed at any time, at a meeting called expressly for that purpose by a vote of the shareholders holding a majority of the shares issued and outstanding and entitled to vote. Such vacancy shall be filled by the directors then in office, though less than a quorum, to hold office until the next annual meeting or until his successor is duly elected and qualified, except that any directorship to be filled by reason of removal by the shareholders may be filled by election, by the shareholders, at the meeting at which the director is removed. No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his term of office.

Section 3.13 Resignations. A director may resign at any time by delivering written notification thereof to the President or Secretary of the Corporation. Such resignation shall become effective upon its acceptance by the Board of Directors; provided, however, that if the Board of Directors has not acted thereon within ten days from the date of its delivery, the resignation shall upon the tenth day be deemed accepted.

Section 3.14 Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 3.15 Compensation. By resolution of the Board of Directors, the directors shall be paid their expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a fixed sum for

attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 3.16 Emergency Power. When, due to a national disaster or death, a majority of the directors are incapacitated or otherwise unable to attend the meetings and function as directors, the remaining members of the Board of Directors shall have all the powers necessary to function as a complete Board and, for the purpose of doing business and filling vacancies, shall constitute a quorum until such time as all directors can attend or vacancies can be filled pursuant to these Bylaws.

Section 3.17 Chairman. The Board of Directors may elect from its own number a Chairman of the Board, who shall preside at all meetings of the Board of Directors, and shall perform such other duties as may be prescribed from time to time by the Board of Directors.

ARTICLE IV

OFFICERS

Section 4.1 Number. The officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary and a Treasurer, each of whom shall be elected by a majority of the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. In its discretion, the Board of Directors may leave unfilled for any such period as it may determine any office except those of President and Secretary. Pursuant to Nevada Revised Statute, Section 78.130 any two or more offices may be held by the same person, including the offices of the President and Secretary. Officers may or may not be directors or shareholders of the Corporation.

Section 4.2 Election and Term of Office. The officers of the Corporation are to be elected by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 4.3 Resignation. Any officer may resign at any time by delivering a written resignation either to the President or to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon delivery.

Section 4.4 Removal. Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights. Any such removal shall require a majority vote of the Board of Directors, exclusive of the officer in question if he is also a director.

Section 4.5 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, or if a new office shall be created, may be filled by the Board of Directors for the unexpired portion of the term.

Section 4.6 President. The President shall be the chief executive and administrative officer of the Corporation. He shall preside at all meetings of the shareholders and, in the absence of the Chairman of the Board, at meetings of the Board of Directors. He shall exercise such duties as customarily pertain to the office of

President and shall have general and active supervision over the property, business and affairs of the Corporation and over its several officers. He may appoint officers, agents or employees other than those appointed by the Board of Directors. He may sign, execute and deliver in the name of the Corporation, powers of attorney, certificates of stock, contracts, bonds, deeds, mortgages and other obligations and shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the Bylaws.

Section 4.7 Vice President. The Vice President shall have such powers and perform such duties as may be assigned to him by the Board of Directors or the President. In the absence or disability of the President, the Vice President designated by the board or the President shall perform the duties and exercise the powers of the President. In the event there is more than one Vice President and the Board of Directors has not designated which Vice President is to act as President, then the Vice President who was elected first shall act as President. A Vice President may sign and execute contracts and other obligations pertaining to the regular course of his duties.

Section 4.8 Secretary. The Secretary shall keep the minutes of all meetings of the shareholders and of the Board of Directors and to the extent ordered by the Board of Directors or the President, the minutes of meetings of all committees. He shall cause notice to be given of the meetings of shareholders, of the Board of Directors and any committee appointed by the Board. He shall have custody of the corporate seal and general charge of the records, documents and papers of the Corporation not pertaining to the performance of the duties vested in other officers, which shall at all reasonable times be open to the examination of any director. He may sign or execute contracts with the President or Vice President thereunto authorized in the name of the Corporation and affix the seal of the Corporation thereto. He shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the Bylaws. He shall be sworn to the faithful

discharge of his duties. Assistant Secretaries shall assist the Secretary and shall keep and record such minutes of meetings as shall be directed by the Board of Directors.

Section 4.9 Treasurer. The Treasurer shall have general custody of the collection and disbursement of funds of the Corporation for collection checks, notes, and other obligations, and shall deposit the same to the credit of the Corporation in such bank or banks or depositories as the Board of Directors may designate. He may sign, with the President, or such other persons as may be designated for the purpose by the Board of Directors, all bills of exchange or promissory notes of the Corporation. He shall enter or cause to be entered regularly in the books of the Corporation full and accurate accounts of all monies received and paid by him on account of the Corporation; shall at all reasonable times exhibit his books and accounts to any director of the Corporation upon application at the office of the Corporation during business hours; and, whenever required by the Board of Directors or the President, shall render a statement of his accounts. Upon request by the Board of Directors, he shall give the corporation a bond for the faithful discharge of his duties in such amount and with such surety as the Board shall prescribe. He shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the Bylaws.

Section 4.10 General Manager. The Board of Directors may employ and appoint a General Manager who may, or may not, be one of the officers or directors of the Corporation. If employed by the Board of Directors he shall be the chief operating officer of the Corporation and, subject to the directions of the Board of Direction, shall have general charge of the business operations of the Corporation and general supervision over its employees and agents. He shall have the exclusive management of the business of the Corporation and of all of its dealings, but at all times subject to the control of the Board of Directors. Subject to the approval of the Board

of Directors or the executive committee, he shall employ all employees of the Corporation, or delegate such employment to subordinate officers, or such division officers, or such division chiefs, and shall have authority to discharge any person so employed. He shall make a quarterly report to the President and directors, or more often if required to do so, setting forth the result of the operations under his charge, together with suggestions looking to the improvement and betterment of the condition of the Corporation, and to perform such other duties as the Board of Directors shall require.

Section 4.11 Other Officers. Other officers shall perform such duties and have such powers as may be assigned to them by the Board of Directors.

Section 4.12 Salaries. The salaries or other compensation of the officers of the Corporation shall be fixed from time to time by the Board of Directors except that the Board of Directors may delegate to any person or group of persons the power to fix the salaries or other compensation of any subordinate officers or agents. No officer shall be prevented from receiving any such salary or compensation by reason of the fact that he is also a director of the Corporation.

Section 4.13 Surety Bonds. In case the Board of Directors shall so require, any officer or agent of the Corporation shall execute to the Corporation a bond in such sums and with sureties as the Board of Directors may direct, conditioned upon the faithful performance of his duties to the Corporation, including responsibility for negligence and for the accounting for all property, monies or securities of the Corporation which may come into his hands.

ARTICLE V

COMMITTEES

Section 5.1 Executive Committee. The Board of Directors may appoint from among its members an Executive Committee of not less than two (2) nor more than five (5) members, one of whom shall be the President, and shall designate one or more of its members as alternates to serve as a member or members of the Executive

Committee in the absence of a regular member or members. The Board of Directors reserves to itself alone the power to declare dividends, issue stock, recommend to shareholders any action requiring their approval, change the membership of any committee at any time, fill vacancies therein, and discharge any committee either with or without cause at any time. Subject to the foregoing limitations, the Executive Committee shall possess and exercise all other powers of the Board of Directors during the intervals between meetings.

Section 5.2 Other Committees. The Board of Directors may also appoint from among its own members such other committees as the Board may determine, which shall in each case consist of not less than two directors, and which shall have such powers and duties as shall from time to time be prescribed by the Board. The President shall be a member ex officio of each committee appointed by the Board of Directors. A majority of the members of any committee may fix its rules of procedure.

ARTICLE VI

CONTRACTS, LOANS, DEPOSITS AND CHECKS

Section 6.1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 6.2 Loans. No loan or advances shall be contracted on behalf of the Corporation, no negotiable paper or other evidence of its obligations under any loan or advance shall be issued in its name, and no property of the Corporation shall be mortgaged, pledged, hypothecated or transferred as security for the payment of any loan, advance, indebtedness or liability of the Corporation unless and except as authorized by the Board of Directors. Any such authorization may be general or confined to specific instances.

Section 6.3 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select, or as may be selected by any officer or agent authorized to do so by the Board of Directors.

Section 6.4 Checks and Drafts. All notes, drafts, acceptances, checks, endorsements and evidences of indebtedness of the Corporation shall be signed by such officer or officers of such agent or agents of the Corporation and in such manner as the Board of Directors from time to time may determine. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositories shall be made in such manner as the Board of Directors from time to time may determine.

Section 6.5 Bonds and Debentures. Every bond or debenture issued by the Corporation shall be evidenced by an appropriate instrument which shall be signed by the President or a Vice President and by the Treasurer or by the Secretary, and sealed with the seal of the Corporation. The seal may be facsimile, engraved or printed. Where such bond or debenture is authenticated with the manual signature of an authorized officer of the Corporation or other trustee designated by the indenture of trust or other agreement under which such security is issued, the signature of any of the Corporation's officers named thereon may be facsimile. In case of any officer who signed, or whose facsimile signature has been used on any such bond or debenture, shall cease to be an officer of the Corporation for any reason before the same has been delivered by the Corporation, such bond or debenture may nevertheless be adopted by the Corporation and issued and delivered as though the person who signed it or whose facsimile signature has been used thereon had not ceased to be such officer.

ARTICLE VII

CAPITAL STOCK

Section 7.1 Certificate of Shares. The shares of the Corporation shall be represented by certificates prepared by the Board of Directors and signed by the President or the Vice President, and by the Secretary, or an Assistant Secretary, or the Treasurer, and sealed with the seal of the Corporation or a facsimile. The signatures of such officers upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Corporation itself or one of its employees. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation. All certificates surrendered to the Corporation for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the Corporation as the Board of Directors may prescribe.

Section 7.2 Transfer of Shares. Transfer of shares of the Corporation shall be made only on the stock transfer books of the Corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation, and on surrender for cancellation of the certificate for such shares. 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.

Section 7.3 Transfer Agent and Registrar. The Board of Directors shall have power to appoint one or more transfer agents and registrars for the transfer and registration of certificates of stock of any class, and may require that stock certificates shall be countersigned and registered by one or more of such transfer agents and registrars.

Section 7.4 Lost or Destroyed Certificates. The Corporation may issue a new certificate to replace any certificate theretofore issued by it alleged to have been lost or destroyed. The Board of Directors may require the owner of such a certificate or his legal representatives to give the Corporation a bond in such sum and with such sureties as the Board of Directors may direct to indemnify the Corporation and its transfer agents and registrars, if any, against claims that may be made on account of the issuance of such new certificates. A new certificate may be issued without requiring any bond.

Section 7.5 Consideration for Shares. The capital stock of the Corporation shall be issued for such consideration, but not less than the par value thereof, as shall be fixed from time to time by the Board of Directors. In the absence of fraud, the determination of the Board of Directors as to the value of any property or services received in full or partial payment of shares shall be conclusive.

Section 7.6 Registered Shareholders. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder thereof in fact, and shall not be bound to recognize any equitable or other claim to or on behalf of the Corporation, any and all of the rights and powers incident to the ownership of such stock at any such meeting, and shall have power and authority to execute and deliver proxies and consents on behalf of the Corporation in connection with the exercise by the Corporation of the rights and powers incident to the ownership of such stock. The Board of Directors, from time to time may confer like powers upon any other person or persons.

ARTICLE VIII

INDEMNIFICATION

Section 8.1 Indemnification. No officer or director shall be personally liable for any obligations arising out of any acts or conduct of said officer or director performed for or on behalf of the Corporation. The Corporation shall and does hereby indemnify and hold harmless each person and his heirs and administrators who shall serve at any time hereafter as a director or officer of the Corporation from and against any and all claims, judgments and liabilities to which such persons shall become subject by reason of any action alleged to have been heretofore or hereafter taken or omitted to have been taken by him as such director or officer, and shall reimburse each such person for all legal and other expenses reasonably incurred by him in connection with any such claim or liability; including power to defend such person from all suits as provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his own negligence or willful misconduct. The rights accruing to any person under the foregoing provisions of this section shall not exclude any other rights to which he may lawfully be entitled, nor shall anything herein contained restrict the right of the Corporation to indemnify or reimburse such person in any proper case, even though not specifically herein provided for. The Corporation, its directors, officers, employees and agents shall be fully protected in taking any action or making any payment or in refusing so to do in reliance upon the advice of counsel.

Section 8.2 Other Indemnification. The indemnification herein provided shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 8.3 Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer or employee of the Corporation, or is or was serving at the request of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any liability in any capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against liability under the provisions of this Article 8 or the laws of the State of Nevada.

Section 8.4 Settlement by Corporation. The right of any person to be indemnified shall be subject always to the right of the Corporation by its Board of Directors, in lieu of such indemnity, to settle any such claim, action, suit or proceeding at the expense of the Corporation by the payment of the amount of such settlement and the costs and expenses incurred in connection therewith.

ARTICLE IX

AMENDMENTS

These Bylaws may be altered, amended, repealed, or added to by the affirmative vote of the holders of a majority of the shares entitled to vote in the election of any director at an annual meeting or at a special meeting called for that purpose, provided that a written notice shall have been sent to each shareholder of record entitled to vote at such meetings at least ten (10) days before the date of such annual or special meetings, which notice

shall state the alterations, amendments, additions, or changes which are proposed to be made in such Bylaws. Only such changes shall be made as have been specified in the notice. The Bylaws may also be altered, amended, repealed, or new Bylaws adopted by a majority of the entire Board of Directors at any regular or special meeting. Any Bylaws adopted by the Board may be altered, amended, or repealed by a majority of the shareholders entitled to vote.

ARTICLE X

FISCAL YEAR

The fiscal year of the Corporation shall be March 31 and may be varied by resolution of the Board of Directors.

ARTICLE XI

DIVIDENDS

The Board of Directors may at any regular or special meeting, as they deem advisable, declare dividends payable out of the unreserved and unrestricted earned surplus of the Corporation, such declaration shall be made in accord with Nevada Revised Statutes Section 78.288 thru 78.300.

ARTICLE XII

CORPORATE SEAL

The corporate seal may be used by causing it or a facsimile thereof to be impressed affixed or reproduced or otherwise.

IN WITNESS WHEREOF, these Bylaws have been duly adopted by resolution of the Board of Directors this 8th day of October 2008.

The Flooring Zone, Inc.

/s/ Andrew Limpert
Andrew Limpert
Corporate Secretary

ACQUISITION AGREEMENT
AMONG
THE FLOORING ZONE, INC.
AND
PROFIRE COMBUSTION, INC.
AND
THE SHAREHOLDERS OF
PROFIRE COMBUSTION, INC.
DATED SEPTEMBER 30, 2008

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ACQUISITION AGREEMENT

This Acquisition Agreement (“Agreement”) is entered into as of this 30th day of September 2008 by and between THE FLOORING ZONE, INC., a Nevada corporation (“FZON”), and PROFIRE COMBUSTION, INC., an Alberta, Canada corporation (“PROFIRE”), and those shareholders executing Investment Letters attached hereto as Exhibit A.1 or Exhibit A.2 and listed in Exhibit B hereto, being all of the shareholders of PROFIRE as of the date this Agreement is executed (the “PROFIRE Shareholders”).

PLAN OF EXCHANGE

The transaction contemplated by this Agreement is intended to be an acquisition whereby FZON will acquire 100% of PROFIRE’s issued and outstanding common stock, (\$.001 par value) in exchange for 35,000,000 shares of FZON’s common stock, \$.001 par value (the “Exchange Stock”). Upon the consummation of the exchange transaction and the issuance and transfer of the Exchange Stock as set forth in Section 2 hereinbelow, PROFIRE Shareholders would hold approximately seventy-eight percent (78%) of the then-outstanding common stock of FZON representing a controlling interest in FZON. The Exchange Transaction will result in PROFIRE becoming a wholly-owned subsidiary of FZON.

AGREEMENT

Section 1 Transfer of Shares

- 1.1 All shareholders of PROFIRE (the “Shareholders” or the “PROFIRE Shareholders”), as of the date of Closing as such term is defined in Section 3 herein (the “Closing” or the “Closing Date”), shall transfer, assign, convey and deliver to FZON on the Closing Date, certificates, or written equivalent documentation if certificates are non-existent, representing one hundred percent (100%) of the outstanding PROFIRE capital stock (the “PROFIRE Stock”). The transfer of the PROFIRE Stock shall be made free and clear of all liens, mortgages, pledges, encumbrances or charges, whether disclosed or undisclosed, except as the PROFIRE Shareholders and FZON shall have otherwise agreed in writing.

Section 2 Issuance of Exchange Stock to PROFIRE Shareholders

- 2.1 As consideration for the transfer, assignment, conveyance and delivery of the PROFIRE Stock hereunder, FZON shall, at the Closing issue to the PROFIRE Shareholders listed in Exhibit B, being all of the shareholders of PROFIRE, pro rata in accordance with each Shareholder’s percentage ownership of PROFIRE immediately prior to the Closing, certificates representing 35,000,000 shares of FZON Common Stock. The parties intend
-

that the Exchange Stock being issued will be used to acquire all outstanding PROFIRE Stock. To the extent that less than 100% of the PROFIRE Stock is acquired, the number of shares issuable to those PROFIRE Shareholders who have elected to participate in the exchange described in this Agreement (the "Exchange") shall decrease proportionately.

- 2.2 The issuance of the Exchange Stock shall be made free and clear of all liens, mortgages, pledges, encumbrances or charges, whether disclosed or undisclosed, except as the PROFIRE Shareholders and FZON shall have otherwise agreed in writing. As provided herein, and immediately prior to the Closing, FZON shall have issued and outstanding: (i) not more than 10,000,000 shares of Common Stock; and (ii) shall have no preferred stock or other securities issued and outstanding.
- 2.3 None of the Exchange Stock issued to the PROFIRE Shareholders, nor any of the PROFIRE Stock transferred to FZON hereunder shall, at the time of Closing, be registered under United States and state securities laws but, rather, shall be issued pursuant to an exemption therefrom and be considered "restricted stock" within the meaning of Rule 144 promulgated under the Securities Act of 1933, as amended (the "Act"). All of such shares shall bear a legend worded substantially as follows:

"The shares represented by this certificate have not been registered under the Securities Act of 1933 (the "Act") or any state act or law and are 'restricted securities' as that term is defined in Rule 144 under the Act. The shares, or any interest therein, may not be offered for sale, sold or otherwise transferred except pursuant to an exemption from registration under the Act, the availability of which is to be established to the satisfaction of the Company."

The respective transfer agents of FZON and PROFIRE shall annotate their records to reflect the restrictions on transfer embodied in the legend set forth above. There shall be no requirement that FZON register the Exchange Stock under the Act, nor shall PROFIRE or the PROFIRE Shareholders be required to register any PROFIRE Shares under the Act.

Section 3

Closing

- 3.1 Closing of Transaction. Subject to the fulfillment or waiver of the conditions precedent set forth in Section 11 hereof, the Closing shall take place on the Closing Date at the offices of, Poulton & Yordan, Attorneys at Law, 324 South 400 West, Salt Lake City, Utah 84101, at 10:00 A.M., local time, or at such other time on the Closing Date as PROFIRE and FZON may mutually agree in writing.

3.2 Closing Date. The Closing Date of the Exchange shall take place on a date chosen by mutual agreement of PROFIRE and FZON within thirty (30) days from the date of this Agreement, or such later date upon which PROFIRE and FZON may mutually agree in writing, or as extended pursuant to subsection 12.1(b) hereinbelow.

3.3 Deliveries at Closing.

- (a) PROFIRE shall deliver or cause to be delivered to FZON at Closing:
 - (1) certificates representing all shares, or an amount of shares acceptable to FZON, of the PROFIRE Stock as described in Section 1, each endorsed in blank by the registered owner and in negotiable form, except for the restrictive legend;
 - (2) an agreement from each Shareholder surrendering his or her shares agreeing to a restriction on the transfer of the Exchange Stock as described in Section 2 hereof (“Investment Letter”);
 - (3) a copy of a consent of PROFIRE’s board of directors authorizing PROFIRE to take the necessary steps toward Closing the transaction described by this Agreement in the form set forth in Exhibit C;
 - (4) Certificates of Good Standing for PROFIRE and any of its subsidiaries, if any, issued not more than thirty (30) days prior to Closing by the regulatory authorities of Alberta, Canada;
 - (5) Articles of Incorporation and Bylaws of PROFIRE and its subsidiaries, if any, certified as of the Closing Date by the President and Secretary of PROFIRE;
 - (6) such other documents, instruments or certificates as shall be reasonably requested by FZON or its counsel.
- (b) FZON shall deliver or cause to be delivered to PROFIRE at Closing:
 - (1) a copy of a consent of FZON’s board of directors authorizing FZON to take the necessary steps toward Closing the transaction described by this Agreement in the form set forth in Exhibit D;
 - (2) a copy of a Certificate of Good Standing for FZON issued not more than ten (10) days prior to Closing by the Secretary of State of Nevada;

- (3) all of FZON's corporate records;
- (4) stock certificate(s) or a computer listing from FZON's transfer agent representing the Exchange Stock to be newly issued by FZON under this Agreement, which certificates shall be in the names of the appropriate PROFIRE Shareholders, each in the appropriate denomination as described in Section 2;
- (5) Articles of Incorporation and Bylaws of FZON certified as of the Closing Date by the President and Secretary of FZON;
- (6) such other documents, instruments or certificates as shall be reasonably requested by PROFIRE or its counsel.

3.4 Filings: Cooperation.

- (a) Prior to the Closing, the parties shall proceed with due diligence and in good faith to make such filings and take such other actions as may be necessary to satisfy the conditions precedent set forth in Section 11 below.
- (b) On and after the Closing Date, FZON, PROFIRE and the PROFIRE Shareholders set forth in Exhibit B shall, on request and without further consideration, cooperate with one another by furnishing or using their best efforts to cause others to furnish any additional information and/or executing and delivering or using their best efforts to cause others to execute and deliver any additional documents and/or instruments, and doing or using their best efforts to cause others to do any and all such other things as may be reasonably required by the parties or their counsel to consummate or otherwise implement the transactions contemplated by this Agreement.
- (c) FZON will cause to be filed a Current Report on Form 8-K disclosing the transactions contemplated by this Agreement, as may be required by the Securities Exchange Act of 1934, as amended (the "Exchange Act".) The PROFIRE Shareholders listed in Exhibit B shall be responsible for and shall make all filings as may be required under Sections 13 and 16 of the Exchange Act.

Section 4

Representations and Warranties by PROFIRE and the PROFIRE Shareholders

- 4.1 Subject to the schedule of exceptions, attached hereto and incorporated herein by this reference, (which schedules shall be acceptable to FZON), PROFIRE and the PROFIRE Shareholders listed on Exhibit B represent and warrant to FZON as follows:

- (a) Organization and Good Standing of PROFIRE. The Articles of Incorporation of PROFIRE, an Alberta, Canada corporation, and the Articles of Incorporation of a subsidiary of PROFIRE, and all Amendments thereto as presently in effect, and the Bylaws of PROFIRE and any subsidiary as presently in effect, certified by the President or Secretary of PROFIRE and each subsidiary respectively, have been delivered to FZON and are complete and correct and since the date of such delivery, there has been no amendment, modification or other change thereto.
- (b) Capitalization. PROFIRE has unlimited authorized capital stock with nominal or no par value (defined as "PROFIRE Capital Stock"), of which 200 shares of Class A are issued and outstanding prior to the Closing Date, (the "Outstanding PROFIRE Capital Stock") and held of record by three (3) shareholders, two of whom currently are not residents of the United States. All of such outstanding shares are validly issued, fully paid and non-assessable. There are no outstanding options and warrants for PROFIRE Capital Stock or other subscription, pre-emptive or stock rights. All securities issued by PROFIRE as of the date of this Agreement have been issued in compliance with all applicable securities laws or exemptions therefrom. Except as set forth in Schedule 4.1(b), no other equity securities or debt obligations of PROFIRE are authorized, issued or outstanding.
- (c) Subsidiaries. Other than as set forth in Schedule 4.1 (c), PROFIRE has no subsidiaries and no other investments, directly or indirectly, or other financial interest in any other corporation or business organization, joint venture or partnership of any kind whatsoever.
- (d) Financial Statements. PROFIRE will deliver to FZON, prior to Closing, a copy of PROFIRE's unaudited financial statements for the six (6) months ended June 30, 2008, which will be true and complete and will have been prepared in conformity with generally accepted accounting principles in the United States (US GAAP) and audited financial statements for the fiscal years ended December 31, 2007 and 2006 prepared in compliance with generally accepted accounting standards in the United States (US GAAS). Other than changes in the usual and ordinary conduct of the business since June 30, 2008, there have been and, at the Closing Date, there will be no material adverse changes in such financial statements.
- (e) Absence of Undisclosed Liabilities. Other than as set forth in Schedule 4.1 (e), neither PROFIRE nor its subsidiaries has any liabilities which are not adequately reflected or reserved against in the PROFIRE Financial Statements or otherwise reflected in this Agreement and PROFIRE shall not have as of the Closing Date, any liabilities (secured or unsecured and whether accrued, absolute, direct, indirect or otherwise) which were incurred after June 30, 2008, and would be individually or in the aggregate, material to the results of operations or financial condition of PROFIRE as of the Closing Date.

- (f) Litigation. Except as disclosed in Schedule 4.1(f), there are no outstanding orders, judgments, injunctions, awards or decrees of any court, governmental or regulatory body or arbitration tribunal against PROFIRE or its subsidiary or its properties. Except as disclosed in Schedule 4.1(f), there are no actions, suits or proceedings pending, or, to the knowledge of PROFIRE, threatened against or affecting PROFIRE or its affiliated companies, any of its officers or directors relating to their positions as such, or any of its properties, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, in connection with the business, operations or affairs of PROFIRE or its affiliated company which might result in any material adverse change in the operations or financial condition of PROFIRE, or which might prevent or materially impede the consummation of the transactions under this Agreement.
- (g) Compliance with Laws. To the best of its knowledge, the operations and affairs of PROFIRE and its affiliated companies, if any, do not violate any law, ordinance, rule or regulation currently in effect, or any order, writ, injunction or decree of any court or governmental agency, the violation of which would substantially and adversely affect the business, financial conditions or operations of such affiliated company or PROFIRE .
- (h) Absence of Certain Changes. Except as set forth in Schedule 4.1(h), or otherwise disclosed in writing to FZON, since June 30, 2008,
- (i) PROFIRE has not entered into any material transaction or contract;
 - (ii) there has been no change in the condition (financial or otherwise), business, property, prospects, assets or liabilities of PROFIRE as shown on the PROFIRE Financial Statement, other than changes that both individually and in the aggregate do not have a consequence that is materially adverse to such condition, business, property, prospects, assets or liabilities;
 - (iii) there has been no damage to, destruction of or loss of any of the properties or assets of PROFIRE (whether or not covered by insurance) materially and adversely affecting the condition (financial or otherwise), business, property, prospects, assets or liabilities of PROFIRE;
 - (iv) PROFIRE has not declared, or paid any dividend or made any distribution on its capital stock, redeemed, purchased or otherwise acquired any of its capital stock, granted any options to purchase shares of its stock, or issued any shares of its capital stock except in conjunction with the private placement described in Schedule 4.1(h);
 - (v) there has been no material change, except in the ordinary course of business, in the contingent obligations of PROFIRE by way of guaranty, endorsement, indemnity, warranty or otherwise;

- (vi) there have been no loans made by PROFIRE to its employees, officers or directors;
 - (vii) there has been no waiver or compromise by PROFIRE of a valuable right or of a material debt owed to it;
 - (viii) there has been no extraordinary increase in the compensation of any of PROFIRE's employees;
 - (ix) there has been no agreement or commitment by PROFIRE to do or perform any of the acts described in this Section 4.1(h);
 - (x) there has been no other event or condition of any character, which might reasonably be expected either to result in a material and adverse change in the condition (financial or otherwise), business, property, prospects, assets or liabilities of PROFIRE or to impair materially the ability of PROFIRE to conduct the business now being conducted; and
 - (xi) except as contemplated by this Agreement, no third party consents or rights are needed to complete this transaction.
- (i) Employees. There are, except as disclosed in Schedule 4.1(i), no collective bargaining, bonus, profit sharing, compensation, or other plans, agreements or arrangements between PROFIRE and any of its directors, officers or employees and there is no employment, consulting, severance or indemnification arrangements, agreements or understandings between PROFIRE on the one hand, and any current or former directors, officers or employees of PROFIRE on the other hand.
- (j) Assets. All of the assets reflected on the June 30, 2008, PROFIRE Financial Statements or acquired and held as of the Closing Date, will be owned by PROFIRE on the Closing Date. Except as set forth in Schedule 4.1(j), PROFIRE owns outright and has good and marketable title, or holds valid and enforceable leases, to all of such assets. None of PROFIRE's equipment used by PROFIRE in connection with its business has any material defects and all of them are in all material respects in good operating condition and repair, and are adequate for the uses to which they are being put; none of PROFIRE's equipment is in need of maintenance or repairs, except for ordinary, routine maintenance and repair. PROFIRE represents that, except to the extent disclosed in Schedule 4.1(j) to this Agreement or reserved against on its balance sheet as of June 30, 2008, it is not aware of any accounts and contracts receivable existing that in its judgment would be uncollectible.
- (k) Tax Matters. Other than as set forth in Schedule 4.1 (k), all federal, foreign, state and local tax returns, reports and information statements required to be filed by or with respect to the activities of PROFIRE and its subsidiary have been timely filed. Since June 30, 2008, PROFIRE has not incurred any liability with respect to any federal, foreign, state or local taxes except in the ordinary and regular course of business. Such returns, reports and information statements are true and correct

in all material respects insofar as they relate to the activities of PROFIRE. On the date of this Agreement, neither PROFIRE nor its subsidiaries, if any, is delinquent in the payment of any such tax or assessment, and no deficiencies for any amount of such tax have been proposed or assessed.

- (l) Operating Authorities. To the best knowledge of PROFIRE, PROFIRE and its subsidiaries, if any, have all material operating authorities, governmental certificates and licenses, permits, authorizations and approvals (“Permits”) required to conduct its business as presently conducted or proposed to be conducted. Such Permits are set forth on Schedule 4.1(l). Since PROFIRE’s inception, there has not been any notice or adverse development regarding such Permits; such Permits are in full force and effect; no material violations are or have been recorded in respect of any permit; and no proceeding is pending or threatened to revoke or limit any Permit.
- (m) Continuation of Key Management. To the best knowledge of PROFIRE, all key management personnel of PROFIRE intend to continue their employment with PROFIRE after the Closing.
- (n) Books and Records. The books and records of PROFIRE and its subsidiary are complete and correct, are maintained in accordance with good business practice and accurately present and reflect, in all material respects, all of the transactions therein described, and there have been no transactions involving PROFIRE or its subsidiary which properly should have been set forth therein and which have not been accurately so set forth.
- (o) Authority to Execute Agreement. The Board of Directors of PROFIRE, pursuant to the power and authority legally vested in it, has duly authorized the execution and delivery by PROFIRE of this Agreement, and has duly authorized each of the transactions hereby contemplated. PROFIRE has the power and authority to execute and deliver this Agreement, to consummate the transactions hereby contemplated and to take all other actions required to be taken by it pursuant to the provisions hereof. PROFIRE has taken all actions required by law, its Articles of Incorporation, as amended, or otherwise to authorize the execution and delivery of this Agreement. This Agreement is valid and binding upon PROFIRE and those Shareholders listed in Exhibit B hereto in accordance with its terms. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will constitute a violation or breach of the Articles of Incorporation, as amended, or the Bylaws, as amended, of PROFIRE, or any agreement, stipulation, order, writ, injunction, decree, law, rule or regulation applicable to PROFIRE.
- (p) Finder’s Fees. PROFIRE is not, and on the Closing Date will not be liable or obligated to pay any finder’s, agent’s or broker’s fee arising out of or in connection with this Agreement or the transactions contemplated by this Agreement.

- 4.2 Disclosure. At the date of this Agreement, PROFIRE and the PROFIRE Shareholders have, and at the Closing Date they will have, disclosed all events, conditions and facts materially affecting the business and prospects of PROFIRE. PROFIRE and such Shareholders have not now and will not have at the Closing Date, withheld knowledge of any such events, conditions or facts which they know, or have reasonable grounds to know, may materially affect PROFIRE's business and prospects. Neither this Agreement nor any certificate, exhibit, schedule or other written document or statement, furnished to FZON by PROFIRE and/or the PROFIRE Shareholders in connection with the transactions contemplated by this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to be stated in order to make the statements contained herein or therein not misleading.

Section 5
Representations and Warranties by FZON

- 5.1 Subject to the schedule of exceptions, attached hereto and incorporated herein by this reference, (which schedules shall be acceptable to PROFIRE), FZON represents and warrants to PROFIRE and the PROFIRE Shareholders listed in Exhibit B as follows:

- (a) Organization and Good Standing. FZON is currently a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada and has full corporate power and authority to own or lease its properties and to carry on its business as now being conducted and as proposed to be conducted. FZON is qualified to conduct business as a foreign corporation in no other jurisdiction, and the failure to so qualify in any other jurisdiction does not materially, adversely affect the ability of FZON to carry on its business as most recently conducted. The Articles of Incorporation of FZON and all amendments thereto as presently in effect, certified by the Secretary of State of Nevada, and the Bylaws of FZON as presently in effect, certified by the President or Secretary of FZON, have been delivered to PROFIRE and are complete and correct and since the date of such delivery, there has been no amendment, modification or other change thereto.
- (b) Capitalization. FZON's authorized capital stock consists of 100,000,000 shares of \$.001 par value Common stock (defined above as "FZON Common Stock"), of which not more than 10,000,000 will be issued and outstanding, prior to Closing Date. Except as set forth in Schedule 5.1(b), or FZON's Financial Statements, no other equity securities or debt obligations of FZON are authorized, issued or outstanding and as of the Closing, there will be no other outstanding options, warrants, agreements, contracts, calls, commitments or demands of any character, preemptive or otherwise, other than this Agreement, relating to any of the FZON Common Stock, and there will be no outstanding security of any kind convertible

into FZON Common Stock. The shares of FZON Common Stock are free and clear of all liens, charges, claims, pledges, restrictions and encumbrances whatsoever of any kind or nature that would inhibit, prevent or otherwise interfere with the transactions contemplated hereby. All of the outstanding FZON Common Stock are validly issued, fully paid and nonassessable and there are no voting trust agreements or other contracts, agreements or arrangements restricting or affecting voting or dividend rights or transferability with respect to the outstanding shares of FZON Common Stock.

- (c) Issuance of Exchange Stock. All of the FZON Common Stock to be issued to or transferred to the PROFIRE Shareholders pursuant to this Agreement, when issued, transferred and delivered as provided herein, will be duly authorized, validly issued, fully paid and nonassessable, and will be free and clear of all liens, charges, claims, pledges, restrictions and encumbrances whatsoever of any kind or nature, except those restrictions imposed by State or Federal corporate and securities regulations.
- (d) Shareholder Approval. FZON will not be required to obtain approval of the transaction set forth in this Agreement by its shareholders under the laws of the State of Nevada nor are there any required dissenting or shareholder rights or notices.
- (e) No Violation. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby nor compliance by FZON with any of the provisions hereof will:
 - (1) violate or conflict with, or result in a breach of any provisions of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, any of the terms, conditions or provisions of the Articles of Incorporation or Bylaws, as amended, of FZON or any note, bond, mortgage, indenture, deed of trust, license, agreement or other instrument to which FZON is a party, or by which it or its properties or assets may be bound or affected;
 - (2) violate any order, writ, injunction or decree, or any statute, rule, permit, or regulation applicable to FZON or any of its properties or assets; or
 - (3) any contract or obligation of FZON to any third party.
- (f) Subsidiaries. Except as set forth in Schedule 5.1 (f), FZON has no subsidiaries and no investments, directly or indirectly, or other financial interest in any other corporation or business organization, joint venture or partnership of any kind whatsoever.

- (g) Financial Statements. FZON will deliver to PROFIRE prior to Closing, copies of FZON's audited financial statements for the years ended December 31, 2007 and 2006 and unaudited financial statements through June 30, 2008, all of which are true and complete and have been prepared in accordance with generally accepted accounting principles and standards as applicable.
- (h) SEC Filings. The common stock of FZON is registered pursuant to Section 12(g) of the Exchange Act. FZON will deliver to PROFIRE prior to Closing, copies of all of FZON's recent filings made with the United States Securities and Exchange Commission ("SEC" including Forms 10-K, 10-KSB, 10-Q, 10-QSB and any proxy material). FZON is current in its reporting with the SEC and believes all documents filed pursuant to Section 13 of the Exchange Act, complied when so filed with that Act and the rules and regulations thereunder and did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.
- (i) Absence of Certain Changes. Since June 30, 2008 there has been no material change in FZON's financial conditions, assets or liabilities, except as set forth in Schedule 5.1(i).
- (j) Absence of Undisclosed Liabilities. Except as disclosed in FZON's Financial Statements, FZON did not have, as of the Closing Date, any liabilities (secured or unsecured and whether accrued, absolute, direct, indirect or otherwise) which were incurred after June 30, 2008 and would be individually or in the aggregate, material to the results of operation or financial condition of FZON.
- (k) Litigation. There are no outstanding orders, judgments, injunctions, awards or decrees of any court, governmental or regulatory body or arbitration tribunal against FZON or its properties. There are no actions, suits or proceedings pending, or, to the knowledge of FZON, threatened against or relating to FZON. FZON is not, and on the Closing Date will not be, in default under or with respect to any judgment, order, writ, injunction or decree of any court or of any federal, state, municipal or other governmental authority, department, commission, board, agency or other instrumentality; and FZON has, and on the Closing Date will have, complied in all material respects with all laws, rules, regulations and orders applicable to it, if any.
- (l) Contracts. FZON is not a party to any written or oral commitment for capital expenditures except as contemplated by this Agreement. FZON is not a party to, nor is its property bound by any written or oral, express or implied, agreement, contract or other contractual obligation including, without limitation, any real or personal property leases, any employment agreements, any consulting agreements any personal services agreements or any other agreements that require FZON to pay any money or deliver any assets or services. FZON has in all material

respects performed all obligations required to be performed by it to date and is not in default in any material respect under any agreements or other documents to which it was a party.

- (m) Tax Matters. Except as set forth in Schedule 5.1(m), all federal, foreign, state and local tax returns, reports and information statements required to be filed by or with respect to the activities of FZON have been filed for all the years and periods for which such returns and statements were due, including extensions thereof. Since June 30, 2008 FZON has not incurred any liability with respect to any federal, foreign, state or local taxes except in the ordinary and regular course of business. Such returns, reports and information statements are true and correct in all material respects insofar as they relate to the activities of FZON. On the date of this Agreement, FZON is not delinquent in the payment of any such tax or assessment, and no deficiencies for any amount of such tax have been proposed or assessed. Any tax sharing agreement among or between FZON and any affiliate thereof shall be terminated as of the Closing Date.
- (n) Authority to Execute Agreement. The Board of Directors of FZON, pursuant to the power and authority legally vested in it, has duly authorized the execution and delivery by FZON of this Agreement and the Exchange Stock, and has duly authorized each of the transactions hereby contemplated. FZON has the power and authority to execute and deliver this Agreement, to consummate the transactions hereby contemplated and to take all other actions required to be taken by it pursuant to the provisions hereof. FZON has taken all the actions required by law, its Articles of Incorporation, as amended, its Bylaws, as amended, applicable state law or otherwise to authorize the execution and delivery of the Exchange Stock pursuant to the provisions hereof. This Agreement is valid and binding upon FZON in accordance with its terms.
- (o) Finder's Fees. FZON is not, and on the Closing Date, will not be liable or obligated to pay any finder's, agent's or broker's fee arising out of or in connection with this Agreement or the transactions contemplated by this Agreement.
- (p) Books and Records. The books and records of FZON are complete and correct, are maintained in accordance with good business practice and accurately present and reflect in all material respects, all of the transactions therein described and there have been no transactions involving FZON which properly should have been set forth therein and which have not been accurately so set forth.

5.2 Disclosure. FZON has and at the Closing Date it will have, disclosed all events, conditions and facts materially affecting the business and prospects of FZON. FZON has not now and will not have at the Closing Date, withheld knowledge of any such events, conditions and facts which it knows, or has reasonable grounds to know, may materially

affect FZON's business and prospects. Neither this Agreement, nor any certificate, exhibit, schedule or other written document or statement, furnished to PROFIRE or the PROFIRE Shareholders by FZON in connection with the transactions contemplated by this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to be stated in order to make the statements contained herein or therein not misleading.

Section 6 Access and Information

- 6.1 As to PROFIRE. Subject to the protections provided by subsection 9.4 herein, PROFIRE shall give to FZON and to FZON's counsel, accountants and other representatives full access during normal business hours throughout the period prior to the Closing, to all of PROFIRE's properties, books, contracts, commitments, and records, including information concerning products and customer base, and patents held by, or assigned to, PROFIRE, and furnish FZON during such period with all such information concerning PROFIRE's affairs as FZON reasonably may request.
- 6.2 As to FZON. Subject to the protections provided by subsection 9.4 herein, FZON shall give to PROFIRE, the PROFIRE Shareholders and their counsel, accountants and other representatives, full access, during normal business hours throughout the period prior to the Closing, to all of FZON's properties, books, contracts, commitments, and records, if any, and shall furnish PROFIRE and the PROFIRE Shareholders during such period with all such information concerning FZON's affairs as PROFIRE and the PROFIRE Shareholders reasonably may request.

Section 7 Covenants of PROFIRE and the PROFIRE Shareholders

- 7.1 No Solicitation. For a period of thirty (30) days from the date of this Agreement or until Closing, PROFIRE and the PROFIRE Shareholders listed on Exhibit B, to the extent within each Shareholder's control, will use their best efforts to cause PROFIRE's officers, employees, agents and representatives not, directly or indirectly, to solicit, encourage, or initiate any discussions with, or indirectly to solicit, encourage, or initiate any discussions with or to, any person or entity other than FZON and its officers, employees, and agents, concerning any merger, sale of substantial assets, or similar transaction involving PROFIRE, or any sale of any of its capital stock or of the capital stock held by such Shareholder's current stock holdings except as otherwise disclosed in this Agreement. PROFIRE will notify FZON immediately upon receipt of an inquiry, offer, or proposal relating to any of the foregoing. None of the foregoing shall prohibit providing information to others in a manner in keeping with the ordinary conduct of PROFIRE's business, or providing information to government authorities.

7.2 Conduct of Business Pending the Transaction. PROFIRE and the PROFIRE Shareholders, to the extent within each Shareholder's control, covenant and agree with FZON that, prior to the consummation of the transaction called for by this Agreement, and Closing, or the termination of this Agreement pursuant to its terms, unless FZON shall otherwise consent in writing, and except as otherwise contemplated by this Agreement, PROFIRE and the PROFIRE Shareholders, to the extent within each Shareholder's control, will comply with each of the following:

- (a) Its business shall be conducted only in the ordinary and usual course. PROFIRE shall use reasonable efforts to keep intact its business organization and good will, keep available the services of its respective officers and employees, and maintain good relations with suppliers, creditors, employees, customers, and others having business or financial relationships with it, and it shall immediately notify FZON of any event or occurrence which is material to, and not in the ordinary and usual course of business of PROFIRE.
- (b) It shall not (i) amend its Articles of Incorporation or Bylaws or (ii) split, combine, or reclassify any of its outstanding securities, or declare, set aside, or pay any dividend or other distribution on, or make or agree or commit to make any exchange for or redemption of any such securities payable in cash, stock or property.
- (c) It shall not (i) issue or agree to issue any additional shares of, or rights of any kind to acquire any shares of, its capital stock of any class, or (ii) enter into any contract, agreement, commitment, or arrangement with respect to any of the foregoing, except as set forth in this Agreement.
- (d) It shall not create, incur, or assume any long-term or short-term indebtedness for money borrowed or make any capital expenditures or commitment for capital expenditures, except in the ordinary course of business and consistent with past practice.
- (e) It shall not (i) adopt, enter into, or amend any bonus, profit sharing, compensation, stock option, warrant, pension, retirement, deferred compensation, employment, severance, termination or other employee benefit plan, agreement, trust fund, or arrangement for the benefit or welfare of any officer, director, or employee, or (ii) agree to any material (in relation to historical compensation) increase in the compensation payable or to become payable to, or any increase in the contractual term of employment of, any officer, director or employee except, with respect to employees who are not officers or directors, in the ordinary course of business in accordance with past practice, or with the written approval of FZON.

- (f) It shall not sell lease, mortgage, encumber, or otherwise dispose of or grant any interest in any of its assets or properties except for: (i) sales, encumbrances, and other dispositions or grants in the ordinary course of business and consistent with past practice; (ii) liens for taxes not yet due; (iii) liens or encumbrances that are not material in amount or effect and do not impair the use of the property, or (iv) as specifically provided for or permitted in this Agreement.
- (g) It shall not enter into any material agreement, commitment, or understanding, whether in writing or otherwise, with respect to any of the matters referred to in subparagraphs (a) through (f) above.
- (h) It will continue properly and promptly to file when due all federal, state, local, foreign, and other tax returns, reports, and declarations required to be filed by it, and will pay, or make full and adequate provision for the payment of, all taxes and governmental charges due from or payable by it.
- (i) It will comply with all laws and regulations applicable to it and its operations.

Section 8
Covenants of FZON

- 8.1 No Solicitation. For a period of thirty (30) days from the date of this Agreement or after Closing, FZON will not discuss or negotiate with any other corporation, firm or other person or entertain or consider any inquiries or proposals relating to the possible disposition of its shares of capital stock, or its assets, and will conduct business only in the ordinary course. Notwithstanding the foregoing, FZON shall be free to engage in activities mentioned in the preceding sentence, which are designed to further the mutual interests of the parties to this Agreement.
- 8.2 Conduct of FZON Pending Closing. FZON covenants and agrees with PROFIRE that, prior to the consummation of the transactions called for by this Agreement, and Closing, or the termination of this Agreement pursuant to its terms, unless PROFIRE shall otherwise consent in writing, and except as otherwise contemplated by this Agreement, FZON will comply with each of the following.
- (a) No change will be made in FZON's Articles of Incorporation or Bylaws or in FZON's authorized or issued shares of stock, except as contemplated in this Agreement or as may be first approved in writing by PROFIRE.
 - (b) No dividends shall be declared, no stock options granted and no employment agreements shall be entered into with officers or directors in FZON, except as may be first approved in writing by PROFIRE.

- (c) It shall not (i) issue or agree to issue any additional shares of, or rights of any kind to acquire any shares of, its capital stock of any class, or (ii) enter into any contract, agreement, commitment, or arrangement with respect to any of the foregoing, except as set forth in this Agreement.
 - (d) It shall not create, incur, or assume any long-term or short-term indebtedness for money borrowed or make any capital expenditures or commitment for capital expenditures, except in the ordinary course of business, consistent with past practice or as may be first approved in writing by PROFIRE.
 - (e) It shall not (i) adopt, enter into, or amend any bonus, profit sharing, compensation, stock option, warrant, pension, retirement, deferred compensation, employment, severance, termination or other employee benefit plan, agreement, trust fund, or arrangement for the benefit or welfare of any officer, director, or employee, or (ii) agree to any material (in relation to historical compensation) increase in the compensation payable or to become payable to, or any increase in the contractual term of employment of, any officer, director or employee except, with respect to employees who are not officers or directors, in the ordinary course of business in accordance with past practice, or with the written approval of PROFIRE.
 - (f) It shall not sell lease, mortgage, encumber, or otherwise dispose of or grant any interest in any of its assets or properties except for: (i) sales, encumbrances, and other dispositions or grants in the ordinary course of business and consistent with past practice; (ii) liens for taxes not yet due; (iii) liens or encumbrances that are not material in amount or effect and do not impair the use of the property, or (iv) as specifically provided for or permitted in this Agreement.
 - (g) It shall not enter into any material agreement, commitment, or understanding, whether in writing or otherwise, with respect to any of the matters referred to in subparagraphs (a) through (f) above.
 - (h) It will continue properly and promptly to file when due all federal, state, local, foreign, and other tax returns, reports, and declarations required to be filed by it, and will pay, or make full and adequate provision for the payment of, all taxes and governmental charges due from or payable by it.
 - (i) It will comply with all laws and regulations applicable to it and its operations.
- 8.3 Board of Directors. FZON shall use its best efforts to cause two representatives designated by PROFIRE to be appointed to the Board of Directors of FZON at the earliest opportunity, subject to the next annual meeting of the stockholders of FZON.

Section 9
Additional Covenants of the Parties

- 9.1 Cooperation. Both PROFIRE and FZON will cooperate with each other and their respective counsel, accountants and agents in carrying out the transaction contemplated by this Agreement, and in delivering all documents and instruments deemed reasonably necessary or useful by the other party. Furthermore, both PROFIRE and FZON shall collaborate on the preparation and dissemination of an offer, which the Board of Directors of PROFIRE shall approve and recommend, to the PROFIRE Stockholders, to exchange their Outstanding PROFIRE Capital Stock for shares of FZON Common Stock.
- 9.2 Expenses. Each of the parties hereto shall pay all of its respective costs and expenses (including attorneys' and accountants' fees, costs and expenses) incurred in connection with this Agreement and the consummation of the transactions contemplated herein.
- 9.3 Publicity. Prior to the Closing, any written news releases or public disclosure by either party pertaining to this Agreement shall be submitted to the other party for its review and approval prior to such release or disclosure, provided, however, that (a) such approval shall not be unreasonably withheld, and (b) such review and approval shall not be required of disclosures required to comply, in the judgment of counsel, with federal or state securities or corporate laws or policies. Nothing contained herein will limit or restrict the filing of any report required to be filed by FZON pursuant to Section 13 of the Exchange Act. PROFIRE will be given a reasonable opportunity to review any such report prior to it being filed with the SEC.
- 9.4 Confidentiality. While each party is obligated to provide access to and furnish information in accordance with Section 6 herein, it is understood and agreed that such disclosure and information subsequently obtained as a result of such disclosures are proprietary and confidential in nature. Each party agrees to hold such information in confidence and not to reveal any such information to any person who is not a party to this Agreement, or an officer, director or key employee thereof, and not to use the information obtained for any purpose other than assisting in its due diligence inquiry in conjunction with the transaction contemplated by this Agreement. Upon request of any party, a confidentiality agreement, acceptable to the disclosing party, will be executed by any person selected to receive such proprietary information, prior to receipt of such information.

Section 10
Survival of Representations, Warranties and Covenants

- 10.1 The representations, warranties and covenants of PROFIRE and the PROFIRE Shareholders listed in Exhibit B contained herein shall survive the execution and delivery of this Agreement, the Closing and the consummation of the transactions called for by this Agreement. The representations, warranties and covenants of FZON contained herein shall survive the execution and delivery of this Agreement, the Closing and the consummation of the transactions called for by this Agreement.

Section 11
Conditions Precedent to Obligations of Parties

- 11.1 Conditions to Obligations of the Parties. The obligations of FZON, PROFIRE and the PROFIRE Shareholders listed in Exhibit B under this Agreement shall be subject to the fulfillment, on or prior to the Closing, of all conditions elsewhere herein set forth, including, but not limited to, receipt by the appropriate party of all deliveries required by Sections 4 and 5 herein, and fulfillment, prior to Closing, of each of the following conditions:
- (a) All representations and warranties made by the PROFIRE, the PROFIRE Shareholders listed in Exhibit B and FZON in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if such representations and warranties had been made on and as of the Closing Date.
 - (b) PROFIRE, the PROFIRE Shareholders listed in Exhibit B and FZON shall have performed or complied with all covenants, agreements and conditions contained in this Agreement on their part required to be performed or complied with at or prior to the Closing.
 - (c) All material authorizations, consents or approvals of any and all governmental regulatory authorities necessary in connection with the consummation of the transactions contemplated by this Agreement shall have been obtained and be in full force and effect.
 - (d) The Closing shall not violate any permit or order, decree or judgment of any court or governmental body having competent jurisdiction and there shall not have been instituted any legal or administrative action or proceeding to enjoin the transaction contemplated hereby or seeking damages from any party with respect thereto.

11.2 Conditions to Obligations of FZON. The obligations of FZON to consummate the transactions contemplated herein are subject to satisfaction (or waiver by it) of the following conditions:

- (a) PROFIRE shall have provided to FZON audited PROFIRE financial statements prepared in accordance with accounting principles generally accepted in the United States for the fiscal years ended March 31, 2008 and 2007, and all unaudited financial statements prepared by independent accountants in accordance with accounting principles generally accepted in the United States. PROFIRE shall also provide, as of a date within thirty days of Closing, an update on any material change in the aforementioned financial statements.
- (b) Each PROFIRE Shareholder acquiring Exchange Stock will be required, at Closing, to submit an agreement confirming that all the Exchange Stock received will be acquired for investment and not with a view to, or for sale in connection with, any distribution thereof, and agreeing not to transfer any of the Exchange Stock for a period of at least one year from the date of the Closing, except for those transfers falling within the exemption from registration under the Securities Act of 1933 and any applicable state securities laws, which transfers do not constitute a public distribution of securities, and in which the transferees execute an investment letter in form and substance satisfactory to counsel for FZON. The foregoing provision shall not prohibit the registration of those shares at any time following the Closing. Each PROFIRE Shareholder acquiring Exchange Stock will be required to transfer to FZON at the Closing his/her respective PROFIRE Shares, free and clear of all liens, mortgages, pledges, encumbrances or charges, whether disclosed or undisclosed.
- (c) All schedules, prepared by PROFIRE shall be current or updated as necessary as of the Closing Date.
- (d) Each party shall have received favorable opinions from the other party's counsel on such matters in connection with the transactions contemplated by this Agreement as are reasonable.
- (e) If shareholders, who in the aggregate own five percent (5%) or more of the PROFIRE shares of Common Stock, dissent from the proposed share exchange, or are unable or for any reason refuse to transfer any or all of their PROFIRE shares of Common Stock to FZON in accordance with Section 1 of this Agreement, FZON, at its option, may terminate this Agreement.
- (f) Each party shall have satisfied itself that since the date of this Agreement the business of the other party has been conducted in the ordinary course. In addition, each party shall have satisfied itself that no withdrawals of cash or other assets have been made and no indebtedness has been incurred since the date of this

Agreement, except in the ordinary course of business or with respect to services rendered or expenses incurred in connection with the Closing of this Agreement, unless said withdrawals or indebtedness were either authorized by the terms of this Agreement or subsequently consented to in writing by the parties.

- (g) Each party covenants that, to the best of its knowledge, it has complied in all material respects with all applicable laws, orders and regulations of federal, state, municipal and/or other governments and/or any instrumentality thereof, domestic or foreign, applicable to their assets, to the business conducted by them and to the transactions contemplated by this Agreement.

11.3 Conditions to Obligation of PROFIRE and the PROFIRE Shareholders. The obligations of PROFIRE and the PROFIRE Shareholders listed in Exhibit B to consummate the transactions contemplated herein are subject to satisfaction (or waiver by them) of the following conditions:

- (a) FZON shall have provided to PROFIRE through June 30, 2008, all unaudited financial statements prepared by independent accountants in accordance with accounting principles generally accepted in the United States. FZON shall also provide, as of a date within thirty days of Closing, an update on any material change in the aforementioned financial statements.
- (b) Each party shall have granted to the other party (acting through its management personnel, counsel, accountants or other representatives designated by it) full opportunity to examine its books and records, properties, plants and equipment, proprietary rights and other instruments, rights and papers of all kinds in accordance with Sections 4 and 5 hereof, and each party shall be satisfied to proceed with the transactions contemplated by this Agreement upon completion of such examination and investigation.
- (c) FZON and PROFIRE shall agree to indemnify each other party against any liability to any broker or finder to which that party may become obligated.
- (d) The Exchange shall be approved by the Board of Directors of both PROFIRE and FZON. Furthermore, the Exchange shall be approved by the shareholders of PROFIRE and FZON, if deemed necessary or appropriate by counsel for the same, within thirty (30) days following execution of this Agreement. If such a meeting is deemed necessary, the management of PROFIRE and FZON agree to recommend approval to their respective Shareholders and to solicit proxies in support of the same.
- (f) FZON and PROFIRE and their respective legal counsel shall have received copies of all such certificates, opinions and other documents and instruments as each party or its legal counsel may reasonably request pursuant to this Agreement or

otherwise in connection with the consummation of the transactions contemplated hereby, and all such certificates, opinions and other documents and instruments received by each party shall be reasonably satisfactory, in form and substance, to each party and its legal counsel.

- (g) Both PROFIRE and FZON shall have the right to waive any or all of the conditions precedent to its obligations hereunder not otherwise legally required; provided, however, that no waiver by a party of any condition precedent to its obligations hereunder shall constitute a waiver by such party of any other condition.
- (h) FZON shall have obtained all necessary Blue Sky approvals or exemptions for the issuance of the Exchange Stock required prior to the Closing Date

Section 12
Termination, Amendment, Waiver

- 12.1 This Agreement may be terminated at any time prior to the Closing, and the contemplated transactions abandoned, without liability to either party, except with respect to the obligations of FZON, PROFIRE and the PROFIRE Shareholders listed in Exhibit B under Section 9.4 hereof:
- (a) By mutual agreement of FZON and PROFIRE;
 - (b) If the Closing (as defined in Section 3) has not have taken place on or prior to November 15, 2008, this Agreement can be terminated upon written notice given by FZON or PROFIRE which is not in material default;
 - (c) By FZON, if in its reasonable belief there has been a material misrepresentation or breach of warranty on the part of any Shareholder listed in Exhibit B in the representations and warranties set forth in the Agreement.
 - (d) By PROFIRE or a majority of the PROFIRE Shareholders listed in Exhibit B (as measured by their equity interest) if, in the reasonable belief of PROFIRE or any such Shareholders, there has been a material misrepresentation or breach of warranty on the part of FZON in the representations and warranties set forth in the Agreement;
 - (e) By FZON if, in its opinion or that of its counsel, the Exchange does not qualify for exemption from registration under applicable federal and state securities laws, or qualification, if obtainable, cannot be accomplished in FZON's opinion or that of its counsel, without unreasonable expense or effort;

- (f) By FZON or by a majority of the FZON Shareholders listed in Exhibit B (as measured by their equity interest) if either party shall determine in its sole discretion that the Exchange has become inadvisable or impracticable by reason of the institution or threat by state, local or federal governmental authorities or by any other person of material litigation or proceedings against any party it being understood and agreed that a written request by a governmental authority for information with respect to the Exchange, which information could be used in connection with such litigation or proceedings, may be deemed to be a threat of material litigation or proceedings regardless of whether such request is received before or after the signing of this Agreement;
- (g) By FZON if the business or assets or financial condition of PROFIRE, taken as a whole, have been materially and adversely affected, whether by the institution of litigation or by reason of changes or developments or in operations in the ordinary course of business or otherwise; or, by a majority of the PROFIRE Shareholders listed in Exhibit B (as measured by their equity interest) if the business or assets or financial condition of FZON, taken as a whole, have been materially and adversely affected, whether by the institution of litigation or by reason of changes or developments or in operations in the ordinary course of business or otherwise;
- (h) By FZON if holders of five percent (5%) or more of the PROFIRE Shares fail to tender their stock at the Closing of the Exchange;
- (i) By FZON or PROFIRE if, in the opinion of FZON's independent accountants, it should appear that the combined entity will not be auditable to SEC accounting standards;
- (j) By PROFIRE if FZON fails to perform material conditions set forth in Sub-Section 11.1 and 11.3 herein;
- (k) By PROFIRE if examination of FZON's books and records pursuant to Section 5 herein uncovers a material deficiency;
- (l) By FZON if PROFIRE fails to perform material conditions set forth in Sub-Section 11.1 and 11.2 herein; and
- (m) By FZON if examination of PROFIRE's books and records pursuant to Section 4 herein uncovers a material deficiency.

12.2 No modification or amendment of any provision of this Agreement shall be effective unless specifically made in writing and duly signed by the party to be bound.

Section 13
Miscellaneous

- 13.1 Entire Agreement. This Agreement (including the Exhibits and Schedules hereto) contains the entire agreement between the parties with respect to the transactions contemplated hereby, and supersedes all negotiations, representations, warranties, commitments, offers, contracts, and writings prior to the date hereof. No waiver and no modification or amendment of any provision of this Agreement shall be effective unless specifically made in writing and duly signed by the party to be bound thereby.
- 13.2 Binding Agreement.
- (a) This Agreement shall become binding upon the parties when, but only when, it shall have been signed on behalf of all parties.
 - (b) Subject to the condition stated in subsection (a), above, this Agreement shall be binding upon, and inure to the benefit of, the respective parties and their legal representatives, successors and assigns. This Agreement, in all of its particulars, shall be enforceable by the means set forth in subsection 13.9 for the recovery of damages or by way of specific performance and the terms and conditions of this Agreement shall remain in full force and effect subsequent to Closing and shall not be deemed to be merged into any documents conveyed and delivered at the time of Closing. In the event that subsection 13.9 is found to be unenforceable as to any party for any reason or is not invoked by any party, and any person is required to initiate any action at law or in equity for the enforcement of this Agreement, the prevailing party in such litigation shall be entitled to recover from the party determined to be in default, all of its reasonable costs incurred in said litigation, including attorneys' fees.
- 13.3 Shareholders Owning at Least Five Percent (5%) of the Outstanding Common Stock of PROFIRE. The Shareholders of the outstanding common stock of PROFIRE (see Exhibit B hereto) are only executing this Agreement with respect to Sections 3.4, 4, 7, 9.4, 10, 11.1 and 11.3, 12.1(d and f), 13.2, 13.3, 13.4, 13.8, and 13.9.
- 13.4 Counterparts. This Agreement may be executed in one or more counterparts, each of which may be deemed an original, but all of which together, shall constitute one and the same instrument.
- 13.5 Severability. If any provisions hereof are to be held invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, such holding or action shall be strictly construed and shall not affect the validity or effect or any other provision hereof.

- 13.6 Assignability. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto; provided, that neither this Agreement nor any right hereunder shall be assignable by PROFIRE or FZON without prior written consent of the other party.
- 13.7 Captions. The captions of the various Sections of this Agreement have been inserted only for convenience of reference and shall not be deemed to modify, explain, enlarge or restrict any of the provisions of this Agreement.
- 13.8 Governing Law. The validity, interpretation and effect of this Agreement shall be governed exclusively by the laws of the State of Utah.
- 13.9 Dispute Resolution. In the event of a dispute between the parties hereto involving a claim of breach of representation or warranty hereunder, or to enforce a covenant herein (either or both of which are referred to hereafter as a "Claim"), if it is the desire of any party for quick resolution, the rights and obligations of the parties hereto arising under the terms of this Agreement with respect to such Claims and/or resolution of such disputes will be by the means of the judgment of an independent third party ("Arbitration Panel") who has been selected and hired through the mutual agreement of the parties. The utilization of this subsection 13.9, if invoked by any party hereto, shall be the exclusive remedy for resolving a Claim regardless of whether legal action has or has not been otherwise instituted. If legal action has been instituted by any party, and this subsection 13.9 is invoked in a timely manner, any such legal action shall be void ab initio and immediately withdrawn.
- (a) In the event of a Claim by any party, any party may make a written request upon the other parties for an Arbitration Panel. A request by any party for the employment of an Arbitration Panel to resolve the Claim shall be binding on all other parties to this Agreement in accordance with the terms hereof.

The parties may agree upon a single person Arbitration Panel, but in the event that they cannot agree, there shall be three arbitrators named to the Arbitration Panel, one named in writing by each of the parties within twenty (20) days after the initial demand for employment of an Arbitration Panel and a third chosen by the two appointed arbitrators. Should either party refuse or neglect to join in the appointment of the Arbitration Panel or to furnish the Arbitration Panel with any papers or information demanded, the Arbitration Panel is empowered by all parties to this Agreement to proceed ex parte. Any Arbitration Panel member or, single arbitrator, will have prior experience and be a certified arbitrator with the Utah courts.

- (b) Claim resolution proceedings shall take place in the City or County of Salt Lake, State of Utah, and the hearing before the Arbitration Panel of the matter to be arbitrated shall be at the time and place within said city or county as is selected by the Arbitration Panel. The Arbitration Panel shall select such time and place promptly after appointment and shall give written notice thereof to each party at least thirty (30) days prior to the date so fixed. At the hearing, any relevant evidence may be presented by either party, and the formal rules of evidence applicable to judicial proceedings shall not govern. Evidence may be admitted or excluded in the sole discretion of the Arbitration Panel. Said Arbitration Panel shall hear and determine the matter and shall execute and acknowledge their award in writing and cause a copy thereof to be delivered to each of the parties.

- (c) If there is only one (1) arbitrator on the Arbitration Panel, his or her decision shall be binding and conclusive on the parties, and if there are three (3) arbitrators on the Arbitration Panel the decision of any two (2) shall be binding and conclusive.
- (d) If three (3) arbitrators are selected under the foregoing procedure, but two (2) of the three (3) fail to reach an agreement in the determination of the matter in question, the matter shall be decided by three (3) new arbitrators who shall be appointed and shall proceed in the same manner, and the process shall be repeated until a decision is finally reached by two (2) of the three (3) arbitrators selected.
- (e) The costs of such Claim resolution shall be borne by the parties equally and each party shall pay its own attorneys' fees; provided, however, that in the event either party challenges or in any way seeks to have the Arbitration Panel's decision or award vacated or corrected or modified, if the challenge is denied or the original decision or award is affirmed, the challenging party shall pay the costs and fees, including reasonable attorneys' fees, of the non-challenging party, both for the challenge and for the original Claim resolution process.

13.10 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid and properly addressed as follows:

To PROFIRE:

Brent Hatch, President
Profire Combustion, Inc.
Bay 12, 55 Alberta Avenue
Spruce Grove, Alberta, Canada T7X 3A6
Fax: (780) 960-5078

To FZON:

Andrew Limpert, Chief Executive Officer
The Flooring Zone, Inc.
1245 Brickyard Road, Suite 590
Salt Lake City, Utah 84106
Fax: (801) 433-2222

With a Copy to:

Richard T. Ludlow, Esq.
324 South 400 West, Suite 250
Salt Lake City, Utah 84101
Fax (801) 355-2990

Any party may from time to time change its address for the purpose of notices to that party by a similar notice specifying a new address, but no such change shall be deemed to have been given until it is actually received by the respective party hereto.

All notices and other communications required or permitted under this Agreement which are addressed as provided in this Section 13.10 if delivered personally, shall be effective upon delivery; and, if delivered by mail, shall be effective three days following deposit in the United States mail, postage prepaid.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

THE FLOORING ZONE, INC.

By: /s/ Andrew Limpert
Andrew Limpert
Interim Chief Executive Officer

PROFIRE COMBUSTION, INC.

By: /s/ Brenton W. Hatch
Brenton W. Hatch
Chief Executive Officer

**THE SHAREHOLDERS OF
PROFIRE COMBUSTION, INC.**

By: /s/ Brenton W. Hatch
Brenton W. Hatch
Shareholder

By: /s/ Harold Albert
Harold Albert
Shareholder

By: /s/ Shelly Nichol
Shelly Nichol
Shareholder

*Mantyla*McREYNOLDS LLC
The CPA. Never Underestimate The Value.

October 10, 2008

Securities and Exchange Commission
Office of the Chief Accountant
100 F Street, N.E.
Washington, DC 20549

Dear Sir/Madam:

We have read the statements included in the Form 8-K dated October 9, 2008, of The Flooring Zone, Inc., filed with the Securities and Exchange Commission and are in agreement with the statements contained in Item 4.01 regarding our firm. We are not in a position to agree or disagree with the statements in Item 4.01 regarding the engagement of another independent registered public accounting firm.

Very truly yours,

Mantyla McReynolds LLC
Mantyla McReynolds, LLC



JOEL K. ARLINE, CPA, P.C.
Certified Public Accountant

*Member of American
Institute and Georgia
Society of Certified
Public Accountants*

October 9, 2008

VIA EMAIL ATTACHMENT

Andrew Limpert
The Flooring Zone, Inc.

Rich Ludlow
Poulton-Yordan

Re: Resignation from Board of Directors
The Flooring Zone, Inc.

Dear Andrew and Rich:

I appreciate having worked with you and The Flooring Zone, Inc. However at this time, my schedule does not allow me to continue to serve as a Director on The Flooring Zone, Inc.'s Board of Directors. Please allow this letter to serve as my resignation from the Board effective today.

If you should need my assistance in the future, please do not hesitate to call me.

Sincerely Yours,



Joel K. Arline