This is the form of material change report required under section 67(1) of the Securities Act.

FORM 27
Securities Act

MATERIAL CHANGE REPORT UNDER SECTION 67(1) OF THE ACT

Item 1. Reporting Issuer

Sutton Group Financial Services Ltd. (the "Corporation")
Suite 1628 - 555 West Hastings St.
P.O. Box 12108
Vancouver, B.C.
V6B 4N6

Item 2. Date of Material Change

January 31, 2000

Item 3. Press Release

February 1, 2000 - Vancouver

Item 4. Summary of Material Change

The Corporation has completed the acquisition of 100% of the shares of Sutton Group-British Columbia Region Ltd. ("SGBCR"), the regional franchisor of the Corporation's real estate franchise system in British Columbia, from 255117 B.C. Ltd. ("255117") for a purchase price of $2,103,500 as more particularly described in the Corporation's news release of November 4, 1999. A total of 7,790,740 common shares of the Corporation at a deemed price of $0.27 per share have been issued to 255177 in full satisfaction of the purchase price, which shares are subject to a one year hold period under the *Securities Act* (British Columbia) expiring January 31, 2001.

Item 5. Full Description of Material Change

The Corporation has now completed the acquisition of 100% of the shares of Sutton Group-British Columbia Region Ltd. ("SGBCR"), the regional franchisor of the Corporation's real estate franchise system in British Columbia, from 255117 B.C. Ltd. ("255117") for a purchase price of $2,103,500 as more particularly described in the Corporation's news release of November

4, 1999. A total of 7,790,740 common shares of the Corporation at a deemed price of $0.27 per share have been issued to 255177 in full satisfaction of the purchase price, which shares are subject to a one year hold period under the *Securities Act* (British Columbia) expiring January 31, 2001. Shareholder approval for transaction was obtained at the Corporation's annual general meeting held on December 10, 1999.

The acquisition of SGBCR forms part of the Corporation's continuing strategy to reacquire certain of its regional franchises in order to streamline its operations and remain competitive in the face of increasing consolidation in the real estate brokerage industry. During the past year the Corporation has also reacquired the regional franchise rights to Central Ontario, Metro Toronto and Western Ontario.

Item 6. Reliance on Section 67(2) of the Act

N/A

Item 7. Omitted Information

Nil

Item 8. Senior Officers

Scott Shaw - President
(604) 691 - 1620

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

" Scott Shaw"

February 1, 2000

Date

(signature)

Scott Shaw

Name

President

Position

Vancouver, B.C.

Place of Declaration