

Edgar Filing: EASYWEB INC - Form 10QSB

EASYWEB INC  
Form 10QSB  
October 30, 2003

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington D.C. 20549

FORM 10-QSB FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended: September 30, 2003  
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Commission File Number 0-32353  
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EASYWEB, INC.  
-----

(Exact name of registrant as specified in its charter)

COLORADO  
-----

84-1475642  
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(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer Identification No.)

6025 South Quebec Street, Suite 135, Englewood, Colorado  
-----

80111  
-----

(Address of principal executive offices)

(Zip code)

(720) 493-0303  
-----

(Registrant's telephone number, including area code)

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

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

Yes

No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock, no par value  
Class

4,706,200

Number of shares outstanding at October 28, 2003

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This document is comprised of 10 pages.

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FORM 10-QSB  
3RD QUARTER

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EASYWEB, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONDENSED BALANCE SHEET  
(UNAUDITED)

SEPTEMBER 30, 2003

ASSETS

Current Assets:

Cash .....	\$	38
	=====	

LIABILITIES AND SHAREHOLDERS' DEFICIT

Current Liabilities:

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Accounts payable and accrued liabilities .....	\$ 3,265
Due to affiliate (Note B) .....	16,122
	-----
Total current liabilities .....	19,387
	-----
Shareholders' deficit (Note D):	
Common stock .....	130,050
Stock options outstanding - 100,000 .....	20,600
Additional paid-in capital .....	65,556
Deficit accumulated during development stage .....	(235,555)
	-----
Total shareholders' deficit .....	(19,349)
	-----
	\$ 38
	=====

See accompanying notes to condensed financial statements

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EASYWEB, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONDENSED STATEMENTS OF OPERATIONS  
(UNAUDITED)

THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS EN SEPTEMBER 3
2003	2002	2003
-----	-----	-----

Revenue:

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Commissions, related party .....	\$	--	\$	--	\$	--	\$	--
Commissions, other .....		--		--		--		--
		-----		-----		-----		-----
Total revenue .....		--		--		--		--
		-----		-----		-----		-----
Operating expenses:								
Stock-based compensation:								
Consulting services .....		--		--		--		--
Director services .....		--		--		--		--
Rent .....		--		--		--		--
Contributed rent (Note B) .....		1,500		1,500		4,500		4,500
Administrative support .....		180		375		435		435
Contributed administrative								
support (Note B) .....		2,820		2,625		8,565		8,565
Salaries and payroll taxes .....		--		--		--		--
Professional fees .....		3,770		689		7,240		7,240
Web site consulting and maintenance		--		320		60		60
Information technology agreement ..		--		--		--		--
Advertising .....		--		--		--		--
Dues and subscriptions .....		--		--		2,975		2,975
Depreciation and amortization .....		59		210		486		486
Other .....		215		832		819		819
		-----		-----		-----		-----
Total operating expenses		8,544		6,551		25,080		25,080
		-----		-----		-----		-----
Loss before income taxes		(8,544)		(6,551)		(25,080)		(25,080)
Income tax provision (Note (C)) .....		--		--		--		--
		-----		-----		-----		-----
Net loss .....	\$	(8,544)	\$	(6,551)	\$	(25,080)	\$	(25,080)
		=====		=====		=====		=====
Basic and diluted loss per share .....	\$	(0.00)	\$	(0.00)	\$	(0.01)	\$	(0.01)
		=====		=====		=====		=====
Basic and diluted weighted average								
common shares outstanding .....		4,706,200		4,605,200		4,630,644		4,630,644
		=====		=====		=====		=====

See accompanying notes to condensed financial statements

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(UNAUDITED)

	NINE MONTHS ENDED SEPTEMBER 30,		SEPTEMBER 24 1998 (INCEPTION) THROUGH SEPTEMBER 30 2003
	2003	2002	2003
Net cash used in operating activities ....	\$ (9,327)	\$ (13,655)	\$ (119,338)
Cash flows from investing activities:			
Purchases of equipment .....	--	(316)	(400)
Payments for intangible assets .....	--	--	(2,774)
Net cash used in investing activities ....	--	(316)	(3,174)
Cash flows from financing activities:			
Proceeds on loans from related parties .....	--	2,553	10,650
Repayment of related party loans .....	(650)	(5,500)	(6,150)
Proceeds from the sale of common stock .....	10,000	16,500	128,050
Proceeds from the sale of common stock subject to rescission .....	--	--	4,000
Payments for offering costs .....	--	--	(14,000)
Net cash provided by financing activities ....	9,350	13,553	122,550
Net change in cash .....	23	(418)	38
Cash, beginning of period .....	15	451	--
Cash, end of period .....	\$ 38	\$ 33	\$ 38
Supplemental disclosure of cash flow information:			
Income taxes .....	\$ --	\$ --	\$ --
Interest .....	\$ --	\$ --	\$ --
Non-cash financing activities:			
Common stock issued in exchange for debt .....	\$ --	\$ --	\$ 6,000

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See accompanying notes to condensed financial statements

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EASYWEB, INC.  
(A Development Stage Company)

## NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

### NOTE A: BASIS OF PRESENTATION

The financial statements presented herein have been prepared by the Company in accordance with the accounting policies in its Form 10-KSB dated December 31, 2002, and should be read in conjunction with the notes thereto.

In the opinion of management, all adjustments (consisting only of normal recurring adjustments) which are necessary to provide a fair presentation of operating results for the interim period presented have been made. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the year.

The Company is in the development stage in accordance with Statements of Financial Accounting Standards (SFAS) No. 7 "Accounting and Reporting by Development Stage Enterprises". As of September 30, 2003, the Company has devoted substantially all of its efforts to financial planning, raising capital and developing markets.

Financial data presented herein are unaudited.

### NOTE B: RELATED PARTY TRANSACTIONS

#### Rent

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An affiliate contributed office space to the Company during the nine months ended September 30, 2003. The Company's management has estimated the fair market value of the office space at \$500 per month, which is included in the accompanying condensed financial statements as Contributed Rent with an offsetting credit to Additional Paid-in Capital.

#### Administrative support

-----

An affiliate contributed administrative services to the Company during the nine months ended September 30, 2003. The Company's management has estimated the fair market value of the services at \$1,000 per month, which is included in the accompanying condensed financial statements as Contributed Administrative Support with an offsetting credit to Additional Paid-in Capital. The Company paid \$435 for services during the nine months ended September 30, 2003, therefore, Contributed Administrative Support for the period totaled \$8,565.

#### Indebtedness to related parties

-----

At December 31, 2002, the Company owed an affiliate \$8,294 for professional fees and other administrative expenses paid on behalf of the Company. During the nine months ended September 30, 2003, the affiliate paid expenses totaling \$7,828 on behalf of the Company. As of September 30, 2003, the Company owed the affiliate

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\$16,122, which is included in the accompanying condensed financial statements as Due to Affiliate.

In April 2002, the officer loaned the Company \$650 for working capital. The loan carries no interest rate and is due on demand. The Company repaid the loan during the quarter ended June 30, 2003.

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EASYWEB, INC.  
(A Development Stage Company)

NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

NOTE C: INCOME TAXES

The Company records its income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes". The Company incurred net operating losses during all periods presented resulting in a deferred tax asset, which was fully allowed for; therefore, the net benefit and expense resulted in \$-0- income taxes.

NOTE D: SHAREHOLDER'S DEFICIT

During March 2003, the Company sold 200,000 shares of its common stock for \$10,000, or \$.05 per share.

Following is a schedule of changes in shareholders' deficit for the nine months ended September 30, 2003:

	Common stock		Outstanding Stock Options	Additional Paid-In Capital
	Shares	Amount		
	-----	-----	-----	-----
Balance, January 1, 2003	4,506,200	\$ 120,050	\$ 20,600	\$ 52,491
March 2003, sale of common stock at \$.05 per share	200,000	10,000	--	--
Office space and administrative support contributed by an affiliate	--	--	--	13,065
Net loss for the nine months ended September 30, 2003	--	--	--	--
Balance, September 30, 2003	4,706,200	\$ 130,050	\$ 20,600	\$ 65,556
	=====	=====	=====	=====

PART I. ITEM 2. PLAN OF OPERATION  
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PLAN OF OPERATION  
-----

The Company plans to continue to design, market, sell and maintain customized and turnkey web sites on the Internet that are hosted by third parties. To date, revenues from these services have been minimal. The Company hopes to generate increased revenue through the expenditure of additional funds for marketing, advertising and promotion, assuming public liquidity allows. The Company believes that the revenue generated from operations may not be sufficient to finance future activities and that it may be necessary to raise additional funds through equity and/or debt financing in the next twelve months. There is no assurance that the Company will be able to generate additional capital for marketing, advertising and promotion and/or other purposes. In the event that only limited additional financing is received, the Company expects its opportunities in the design, marketing, and sale of Internet web sites to be limited. The Company would also consider the sale of its technology.

If the Company is unable to raise additional capital to support our future operations, we may begin exploring business opportunities for possible investments and/or business combinations with companies that may be outside of our original business plan. As of the date of this filing, we have had no discussions and no agreements have been reached with any third parties regarding such an investment or business combination.

The Company is currently maintaining operations through working capital advances provided by an affiliate company owned 100 percent by David Olson, the Company's president. There is no assurance that the affiliate will continue to provide working capital advances for any period of time.

The Company does not intend to hire any additional employees in the foreseeable future. The Company does not intend to make significant equipment purchases or conduct any research and development within the next twelve months.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS  
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This report contains forward-looking statements within the meaning of federal securities laws. These statements plan for or anticipate the future. Forward-looking statements include statements about our future business plans and strategies, statements about our need for working capital, future revenues, results of operations and most other statements that are not historical in nature. In this Report, forward-looking statements are generally identified by the words "intend", "plan", "believe", "expect", "estimate", and the like. Investors are cautioned not to put undue reliance on forward-looking statements.



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Except as otherwise required by applicable securities statutes or regulations, the Company disclaims any intent or obligation to update publicly these forward-looking statements, whether as a result of new information, future events or otherwise. Because forward-looking statements involve future risks and uncertainties, these are factors that could cause actual results to differ materially from those expressed or implied.

### PART I. ITEM 3. CONTROLS AND PROCEDURES

#### (a) Evaluation of disclosure controls and procedures

We maintain controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Based upon their evaluation of those controls and procedures performed within 90 days of the filing date of this report, our chief executive officer and the principal financial officer concluded that our disclosure controls and procedures were adequate.

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#### (b) Changes in internal controls

There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation of those controls by the chief executive officer and principal financial officer.

### PART 2. OTHER INFORMATION

#### Item 1 - Legal Information.

No response required.

#### Item 2 - Changes in Securities.

During March 2003, the Company sold 200,000 shares of its common stock for \$10,000, or \$.05 per share. The shares were sold to an individual pursuant to the exemption from the registration requirements of the Securities Exchange Act of 1933 (the "Act"), as amended, provided by Section 4(2) of the Act for transactions by an issuer not involving any public offering.

#### Item 3 - Defaults Upon Senior Securities.

No response required.

#### Item 4 - Submission of Matters to a Vote of Security Holders.

No response required.

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Item 5 - Other Information.

No response required.

Item 6 - Exhibits and Reports on Form 8-K.

(a) Exhibits:

1. 31: Certification
2. 32: Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - CEO and CFO

(b) Reports on Form 8-K:

None.

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SIGNATURES

The financial information furnished herein has not been audited by an independent accountant; however, in the opinion of management, all adjustments (only consisting of normal recurring accruals) necessary for a fair presentation of the results of operations for the three and nine months ended September 30, 2003 have been included.

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

EASYWEB, INC.  
(Registrant)

DATE: October 28, 2003

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BY: /s/ David C. Olson

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David C. Olson  
President

