

Edgar Filing: EASYWEB INC - Form 10QSB

EASYWEB INC
Form 10QSB
May 13, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-QSB

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

For Quarter Ended: March 31, 2003

Commission File Number 0-32353

EASYWEB, INC.

(Exact name of registrant as specified in its charter)

COLORADO

84-1475642

(State or other jurisdiction of
incorporation or organization)

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

6025 South Quebec Street, Suite 150, Englewood, Colorado

80111

(Address of principal executive offices)

(Zip code)

(720) 489-8873

(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 X

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

4,706,200

Class

Number of shares outstanding at May 2, 2003

This document is comprised of 10 pages.

Edgar Filing: EASYWEB INC - Form 10QSB

1

FORM 10-QSB
1ST QUARTER

INDEX

	Page

PART 1 - FINANCIAL INFORMATION	
Item 1. Financial Statements	
Condensed balance sheet, March 31, 2003 (unaudited)	3
Condensed statements of operations, three months ended March 31, 2003 (unaudited) and 2002 (unaudited), and September 24, 1998 (inception) through March 31, 2003 (unaudited)	4
Condensed statements of cash flows, three months ended March 31, 2003 (unaudited) and 2002 (unaudited), and September 24, 1998 (inception) through March 31, 2003 (unaudited)	5
Notes to unaudited condensed financial statements	6
Item 2. Plan of Operation	8
PART 2 - OTHER INFORMATION	
Item 1. Legal Information	9
Item 2. Changes in Securities	9
Item 3. Defaults Upon Senior Securities	9
Item 4. Submission of Matters to a Vote of Security Holders.....	9
Item 5. Other Information	9
Item 6. Exhibits and Reports on Form 8-K	9
Signatures	10

2

EASYWEB, INC.
(A Development Stage Company)
Condensed Balance Sheet
(Unaudited)

March 31, 2003

Assets

Current Assets:	
Cash	\$ 9,933

Total current assets	9,933
Intangible assets, net	272

Edgar Filing: EASYWEB INC - Form 10QSB

 \$ 10,205
 =====

Liabilities and Shareholders' Deficit

Current Liabilities:

Accounts payable and accrued liabilities	\$ 12,939
Due to affiliate (Note B)	9,368
Due to officer (Note B)	650

Total current liabilities	22,957

Shareholders' deficit (Note D):

Common stock	130,050
Stock options outstanding - 100,000	20,600
Additional paid-in capital	56,991
Deficit accumulated during development stage	(220,393)

Total shareholders' deficit	(12,752)

\$ 10,205
 =====

See accompanying notes to condensed financial statements

3

EASYWEB, INC.
 (A Development Stage Company)
 Condensed Statements of Operations
 (Unaudited)

	For the Three Months Ended March 31,		September 24, 1998 (Inception) Through March 31, 2003
	2003	2002	
	-----	-----	-----
Revenue:			
Commissions, related party	\$ --	\$ --	\$ 4,000
Commissions, other	--	1,610	5,547
	-----	-----	-----
Total revenue	--	1,610	9,547
	-----	-----	-----
Operating expenses:			
Stock-based compensation:			
Consulting services	--	--	20,600
Director services	--	--	6,000
Rent	--	1,000	6,333
Contributed rent (Note B)	1,500	500	17,167
Administrative support	--	285	7,176

Edgar Filing: EASYWEB INC - Form 10QSB

Contributed administrative support (Note B)	3,000	2,715	39,824
Salaries and payroll taxes	--	--	20,729
Professional fees	1,765	5,197	58,264
Web site consulting and maintenance	60	250	13,479
Information technology agreement	--	--	8,269
Advertising	--	--	12,034
Dues and subscriptions	2,975	--	7,950
Depreciation and amortization	214	188	2,452
Other	404	696	9,663
	-----	-----	-----
Total operating expenses ...	9,918	10,831	229,940
	-----	-----	-----
Loss before income taxes ...	(9,918)	(9,221)	(220,393)
Income tax provision (Note C)	--	--	--
	-----	-----	-----
Net loss	\$ (9,918)	\$ (9,221)	\$ (220,393)
	=====	=====	=====
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	
	=====	=====	
Basic and diluted weighted average common shares outstanding	4,539,533	4,429,095	
	=====	=====	

See accompanying notes to condensed financial statements

4

EASYWEB, INC.
(A Development Stage Company)
Condensed Statements of Cash Flows
(Unaudited)

	For the Three Months Ended March 31,		September 24 1998 (Inception) Through March 31, 2003
	2003	2002	
	-----	-----	-----
Net cash used in operating activities	(82)	(6,135)	(110,093)
	-----	-----	-----
Cash flows from investing activities:			
Purchases of equipment	--	--	(400)
Payments for intangible assets	--	--	(2,774)
	-----	-----	-----
Net cash used in investing activities	\$ --	\$ --	\$ (3,174)
	-----	-----	-----

Edgar Filing: EASYWEB INC - Form 10QSB

Cash flows from financing activities:			
Proceeds on loans from related parties	--	--	10,650
Repayment of related party loans	--	(5,500)	(5,500)
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	10,000	11,000	123,200
	-----	-----	-----
Net change in cash	9,918	4,865	9,933
Cash, beginning of period	15	451	--
	-----	-----	-----
Cash, end of period	\$ 9,933	\$ 5,316	\$ 9,933
	=====	=====	=====
Supplemental disclosure of cash flow information:			
Income taxes	\$ --	\$ --	\$ --
	=====	=====	=====
Interest	\$ --	\$ --	\$ --
	=====	=====	=====
Non-cash financing activities:			
Common stock issued in exchange for debt	\$ --	\$ --	\$ 6,000
	=====	=====	=====

See accompanying notes to condensed financial statements

5

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 March 31, 2003, the Company has devoted substantially all of its efforts to financial planning, raising capital and developing markets.

Edgar Filing: EASYWEB INC - Form 10QSB

Financial data presented herein are unaudited.

Note B: Related party transactions

Rent

An affiliate contributed office space to the Company during the three months ended March 31, 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 three months ended March 31, 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.

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 three months ended March 31, 2003, the affiliate paid expenses totaling \$1,074 on behalf of the Company. As of March 31, 2003, the Company owed the affiliate \$9,368, 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 \$650 is included in the accompanying condensed financial statements as Due to Officer.

6

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 three months ended March 31, 2003:

Common stock		Outstanding	Additional	Deficit
-----		Stock	Paid-In	Accumul
Shares	Amount	Options	Capital	Durin
-----	-----	-----	-----	Develop
				Stag

Edgar Filing: EASYWEB INC - Form 10QSB

Balance, January 1, 2003	4,506,200	\$120,050	\$20,600	\$52,491	\$ (210,
March 2003, sale of common stock at \$.05 per share	200,000	10,000	--	--	--
Office space and administrative support contributed by an affiliate	--	--	--	4,500	--
Net loss for the three months ended March 31, 2003	--	--	--	--	(9,
	-----	-----	-----	-----	-----
Balance, March 31, 2003	4,706,200	\$130,050	\$20,600	\$56,991	\$ (220,
	=====	=====	=====	=====	=====

Part I. Item 2. Plan of operation

EASYWEB, INC.
(A Development Stage Company)

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 intends to generate increased revenue through the expenditure of additional funds for marketing, advertising and promotion. 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.

Furthermore, if we are 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 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

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. Except as otherwise required by applicable securities statues or regulations,

Edgar Filing: EASYWEB INC - Form 10QSB

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.

8

Part 2. Other Information

EASYWEB, INC.
(A Development Stage Company)

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.

Item 5 - Other Information.

No response required.

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

(a) Exhibits:

1. 99.1: Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - CEO
2. 99.2: Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - CFO

(b) Reports on Form 8-K:

None.

9

SIGNATURES

Edgar Filing: EASYWEB INC - Form 10QSB

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 months ended March 31, 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: May 2, 2003

BY: /s/ David C. Olson

David C. Olson
President