REWARD ENTERPRISES INC
Form 10QSB
December 19, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

x QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended: **September 30, 2003**

¨ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT
For the transition period from _________________ to _________________

Commission file number: **000-27259**

REWARD ENTERPRISES, INC.

(Exact name of small business issuer as specified in its charter)

Nevada	**98-0203927**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

1327 Ocean Avenue, Suite M, Santa Monica, California 90401
(Address of principal executive offices)

(310) 395-5374
(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 ¨

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

18,722,000 common shares issued and outstanding as of December 15, 2003

Transitional Small Business Disclosure Format (Check one): Yes ¨ No **x**

PART I FINANCIAL INFORMATION

REWARD ENTERPRISES, INC.
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS

	September 30, 2003 (Unaudited)	June 30, 2003
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ -	$ 12,835
TOTAL CURRENT ASSETS	-	12,835
PROPERTY AND EQUIPMENT		
Telecommunications Equipment	51,600	51,600
Website	145,979	145,979
Accumulated depreciation and amortization	(55,959)	(48,660)
TOTAL PROPERTY AND EQUIPMENT	141,620	148,919
OTHER ASSETS		
Goodwill	-	-
TOTAL ASSETS	$ 141,620	$ 161,754
LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$ 77,448	$ 35,717
Accounts payable - related party	15,000	-
Interest payable	11,338	8,313
Notes payable, net of discount	70,000	70,000
Deferred income from Joint Venture	175,000	175,000
TOTAL CURRENT LIABILITIES	348,786	289,030
COMMITMENTS AND CONTINGENCIES	-	-
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, 200,000,000 shares authorized, $0.001 par value;18,722,000 and 18,722,000 shares issued and outstanding, respectively	18,722	18,722
Additional paid-in capital	2,941,593	2,941,593
Stock options	10,400	10,400
Accumulated deficit during development stage	(3,177,881)	(3,097,991)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(207,166)	(127,276)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 141,620	$ 161,754

The accompanying notes are an integral part of these financial statements.

REWARD ENTERPRISES, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Three Months Ended September 30, 2003 (Unaudited)	Three Months Ended September 30, 2002 (Unaudited)	December 12, 1997 (Inception) Through September 30, 2003 (Unaudited)
R E V E N U E S	$ -	$ -	$ -
E X P E N S E S			
Consulting fees	56,250	21,000	487,888
General and administrative	12,734	19,435	163,057
Legal and professional fees	-	6,500	174,211
Travel and entertainment	582	8,201	49,467
Depreciation and amortization	7,299	7,299	59,725
Research and development	-	1,750	88,035
Loss on impairment of asset	-	-	2,165,160
TOTAL OPERATING EXPENSES	76,865	64,185	3,187,543
OTHER INCOME AND EXPENSE			
Interest expense	3,025	3,512	15,338
Gain from debt forgiveness	-	-	(25,000)
TOTAL OTHER EXPENSE	3,025	3,512	(9,662)
LOSS BEFORE INCOME TAXES	(79,890)	(67,697)	(3,177,881)
PROVISION FOR TAXES	-	-	-
NET LOSS	(79,890)	(67,697)	(3,177,881)
BASIC AND DILUTED			
NET LOSS PER COMMON SHARE	$ (0.00)	(0.00)	
WEIGHTED AVERAGE NUMBER OF			
COMMON STOCK SHARES OUTSTANDING	18,722,000	17,927,000	

The accompanying notes are an integral part of these financial statements.

REWARD ENTERPRISES, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock				Stock	Accumulated	Accumulated	
	Number of Shares	Amount	Additional Paid-in	Subscriptions Receivable	Options and Warrants	Deficit During Development Stage	Other Comprehesive Income (Loss)	Total Stockholde Equity
Issuance of common stock in April 1998 for services valued at $0.01 per share	1,000,000	$ 1,000	$ 9,000	$ (10,000)	$ -	$ -	$ -	$
Net loss for period ending June 30, 1998	-	-	-	-	-	(10,000)	-	(10,0
Balance, June 30, 1998	1,000,000	1,000	9,000	(10,000)	-	(10,000)	-	(10,0
Issuance of common stock in May 1999 for cash at an average of $0.10 per share	1,715,000	1,715	169,785	-	-	-	-	171,5
Foreign currency translation loss	-	-	-	-	-	-	(215)	(2
Net loss for year ending June 30, 1999	-	-	-	-		(62,506)	-	(62,5
Balance, June 30, 1999	2,715,000	2,715	178,785	(10,000)	-	(72,506)	(215)	98,7
Payables provided for stock subscription	-	-	-	10,000	-	-	-	10,0
Net loss for year ending June 30, 2000	-	-	-	-	-	(228,659)	-	(228,6
Foreign currency translation gain	-	-	-	-	-	-	29	
Balance, June 30, 2000	2,715,000	2,715	178,785	-	-	(301,165)	(186)	(119,8
Issuance of common stock in October 2000								

for cash at $0.001 per share	10,000,000	10,000	-	-	-	-	-	10,0
Issuance of common stock in October 2000								
for payment on loans payable at								
$0.001 per share	200,000	200	-	-	-	-	-	2
Stock options exercised at an average of $0.10								
per share in exchange for consulting fees	2,230,000	2,230	222,770	-	-	-	-	225,0
Stock options exercised at an average of $0.14								
per share in exchange for cash	1,325,000	1,325	179,925	-	-	-	-	181,2
Foreign currency translation loss	-	-	-	-	-	-	(60)	(
Net loss for the year ended June 30, 2001	-	-	-	-	-	(151,401)	-	(151,4
Balance, June 30, 2001	16,470,000	16,470	581,480	-	-	(452,566)	(246)	145,1
Common stock issued in merger with								
Q-Presents, Inc. at $0.35 per share	6,000,000	6,000	2,094,000	-	-	-	-	2,100,0
Common stock cancelled as part of								
merger with Q-Presents, Inc.	(10,200,000)	(10,200)	10,200	-	-	-	-	
Stock options exercised at an								

average of $0.175 per share in exchange for cash	572,000	572	112,428	-	-	-	-	113,0
Issuance of common stock in December 2001 for cash at $0.001 per share	890,000	890	-	-	-	-	-	8
Issuance of common stock in exchange for services at $0.005 per share	2,945,000	2,945	11,780	-	-	-	-	14,7
Stock options issued for compensation in December 2001	-	-	-	-	10,400	-	-	10,4
Issuance of common stock in January and March 2002 for cash at an average of $0.15 per share	660,000	660	30,840	-	-	-	-	31,5
Issuance of stock warrants attached to promissory notes in May 2002	-	-	-	-	4,000	-	-	4,0
Issuance of common stock in May and June 2002 for cash at an average of $0.12 per share	366,667	367	52,133	-	-	-	-	52,5
Foreign currency translation gain	-	-	-	-	-	-	246	2
	-	-	-	-	-	(238,921)	-	(238,9

Net loss for the year ended June 30, 2002								
Balance, June 30, 2002	17,703,667	17,704	2,892,861	-	14,400	(691,487)	-	2,233,4
Issuance of common stock in July and September								
2002 for cash at an average of $0.12 per share	293,333	293	38,207	-	-	-	-	38,5
Issuance of common stock in October 2002								
for Consulting Services	725,000	725	6,525	-			-	7,2
Expiration of Stock Warrants, May, 2003			4,000	-	(4,000)		-	
Net loss for the period ended June 30, 2003	-	-	-	-	-	(2,406,504)	-	(2,406,5
Balance, June 30, 2003	18,722,000	18,722	2,941,593	-	10,400	(3,097,991)	-	(127,2
Net loss for the period ended September 30, 2003	-	-	-	-	-	(79,890)	-	(79,8
Balance, September 30, 2003 (Unaudited)	18,722,000	$ 18,722	$ 2,941,593	-	$ 10,400	$ (3,177,881)	$ -	$ (207,1

The accompanying notes are an integral part of these financial statements.

4

REWARD ENTERPRISES, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended September 30, 2003 (Unaudited)	Three Months Ended September 30, 2002 (Unaudited)	Dec 12,1997 (Inception) Through September 30, 2003 (Unaudited)
Cash Flows From Operating Activities:			
Net loss	$ (79,890)	$ (67,697)	$ (3,177,881)
Adjustments to reconcile net loss			
to net cash used by operating activities:			
Depreciation and amortization	7,299	7,299	59,593
Related party receivable reclass to compensation	-	-	26,000
Loss on impairment	-	-	2,165,160
Gain on forgiveness of debt	-	-	(25,000)
Services provided in exchange for stock	-	-	31,975
Stock issued in exchange for payables	-	-	235,000
Stock options issued for compensation	-		14,400
Discount on note payable	-	2,000	-
Changes in assets and liabilities:			
Other assets	-	-	(60,000)
Accounts receivable, related party	-	-	(26,000)
Accounts payable	41,731	6,556	(77,492)
Accounts payable - related party	15,000	-	15,000
Accrued expenses	3,025	1,512	166,338
Due to Joint Venture	-	-	175,000
Net cash used by operating activities	(12,835)	(50,330)	(477,907)
Cash Flows From Investing Activities:			
Changes to property and equipment	-	-	(60,526)
Decrease (increase) in loans receivable	-	-	(140,000)
Cash from merger acquisition	-	-	9,093
Net cash provided (used) by investing activities	-	-	(191,433)
Cash Flows From Financing Activities:			
Proceeds from related party loans	-	-	3,600
Payment on related party loans	-	-	(3,400)
Proceeds from promissory notes	-	-	70,000
Issuance of stock	-	38,500	599,140
Net cash provided by financing activities	-	38,500	669,340
Net increase (decrease) in cash and cash equivalents	(12,835)	(11,830)	-
Cash and cash equivalents, beginning of period	12,835	24,717	-
Cash and cash equivalents, end of period	$ -	$ 12,887	$ -

SUPPLEMENTAL CASH FLOW DISCLOSURES:			
Interest expense paid	$ -	$ -	$ -
Income taxes paid	$ -	$ -	$ -
NON-CASH INVESTING AND FINANCING TRANSACTIONS:			
Services exchanged for common stock	$ -	$ -	$ 31,975
Subscribed stock in exchange for payables	$ -	$ -	$ 10,000
Payables exchanged for shares of stock	$ -	$ -	$ 160,000
Stock issued in payment of loans payable	$ -	$ -	$ 200
Stock issued for accrued consulting fees	$ -	$ -	$ 65,000
Stock options issued for compensation	$ -	$ -	$ 14,400
Stock issued for subsidiary	$ -	$ -	$ 2,100,000
Website acquired through merger	$ -	$ -	$ 145,979

The accompanying notes are an integral part of these financial statements.

REWARD ENTERPRISES, INC.
Notes to the Consolidated Financial Statements
(A Development Stage Company)
September 30, 2003

NOTE 1 ORGANIZATION AND DESCRIPTION OF BUSINESS

Reward Enterprises, Inc. (hereinafter the Company), was incorporated on December 12, 1997, under the laws of the State of Nevada primarily for the purpose of offering interactive online internet entertainment and game playing. On August 15, 2001, the Company entered into a merger agreement with Q Presents, Inc., which was incorporated in the State of California for the purpose of providing innovative event management and marketing automation solutions to take advantage of the meeting, hotel, trade show and convention industries. At the time of the merger, the Company changed its focus to match that of Q Presents, Inc.

The Company expects to generate revenue through licensing its Q automated event management services and related supported offerings; licensing its intranet and online services; sales of dedicated advertising; sales of related merchandise; and its promotion and publicity services.

Since the merger, the Company has focused on the development of its business plan. The Company s new management has recently entered into the specialized international communications market to provide international voice, internet access, and global network services to corporate clients, communication carriers and internet service providers. The Company will utilize the web-based platform that was originally intended as an event registration and automation solution for its telecommunication business.

The Company s year end is June 30.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Reward Enterprises, Inc. is presented to assist in understanding the Company s financial statements. The financial statements and notes are representations of the Company s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Accounting Methods
The Company s financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basic and Diluted Loss Per Share
Net loss per share was computed by dividing the net loss by the weighted average number of shares outstanding during the period. The weighted average number of shares was calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. Basic and diluted loss per share were the same, as the inclusion of common stock equivalents would be anti-dilutive.

REWARD ENTERPRISES, INC.
Notes to the Consolidated Financial Statements
(A Development Stage Company)
September 30, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Going Concern
The accompanying financial statements have been prepared assuming that the Company will continue as a going concern.

As shown in the accompanying financial statements, the Company incurred a net loss of $79,890 for the quarter ended September 30, 2003, and has no revenue. The Company is currently putting technology in place that will, if successful, mitigate this factor that raises substantial doubt about the Company s ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

Management plans to seek additional capital through a public offering of its stock that will provide the funds needed to increase liquidity, fund internal growth and fully implement its business plan.

Cash and Cash Equivalents
For purposes of the consolidated statements of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Provision for Taxes
Income taxes are provided based upon the liability method of accounting pursuant to SFAS No. 109 Accounting for Income Taxes. Under this approach, deferred income taxes are recorded to reflect the tax consequences on future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the more likely than not standard imposed by SFAS No. 109 to allow recognition of such an asset.

At June 30, 2003 and 2002, the Company had net deferred tax assets of approximately $1,045,000 and $169,000, respectively, principally arising from net operating loss carryforwards for income tax purposes, and a $10,400 book-tax difference related to stock options issued for services. As management of the Company cannot determine that it is more likely than not that the Company will realize the benefit of the net deferred tax asset, a valuation allowance equal to the net deferred tax asset has been established as of June 30, 2003 and 2002 in the amounts of $1,045,000 and $169,000, respectively. The change in the allowance account from June 30, 2002 to June 30, 2003 was $876,000 as a result of a change in management s estimates.

At September 30, 2003 and 2002, the Company has net operating loss carryforwards of approximately $3,000,000, and $690,000 which expire in the years through 2023.

REWARD ENTERPRISES, INC.
Notes to the Consolidated Financial Statements
(A Development Stage Company)
September 30, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Impaired Asset Policy

In October 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets (SFAS No. 144). SFAS No. 144 replaces SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of. This standard establishes a single accounting model for long-lived assets to be disposed of by sale, including discontinued operations. SFAS No. 144 requires that these long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or discontinued operations. This statement is effective beginning for fiscal years after December 15, 2001. The Company adopted SFAS No. 144 during the year ended June 30, 2002.

The Company impaired the remaining value of its goodwill of $2,100,000, acquired in prior years under Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets (SFAS 142) during the year ending June 30, 2003. Under SFAS 142, the Company is required to periodically assess the value of its intangible assets to determine underlying value.

The Company has recorded an impairment to its software license website and computer hardware of $65,160 during the year ended June 30, 2001, effectively reducing the recorded amount of these assets to $1,191 at June 30, 2001. As of June 30, 2003, the Company had deemed its goodwill recorded on its financial statements to be impaired (See Note 5).

Web Site Development

The Company has adopted SOP 98-1 as amplified by EITF 00-2, Accounting for Web Site Development Costs. In accordance with this adoption, the Company has capitalized website development costs. During the year ended June 30, 2002, the Company capitalized $145,979 of website development costs, which were acquired in the August 15, 2001 merger. The Company has recently entered into the specialized international communications market and continues to utilize the website for this purpose. In November 2001, the Company began amortizing the web site costs using the straight-line method over a five year expected life for a total amortization expense of $7,299 at September 30, 2003.

REWARD ENTERPRISES, INC.
Notes to the Consolidated Financial Statements
(A Development Stage Company)
September 30, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derivative Instruments
The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (hereinafter SFAS No. 133), as amended by SFAS No. 137, Accounting for Derivative Instruments and Hedging Activities Deferral of the Effective Date of FASB No. 133 , and SFAS No. 138, Accounting for Certain Derivative Instruments and Certain Hedging Activities , and SFAS No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities . These statements establish accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. They require that an entity recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value.

If certain conditions are met, a derivative may be specifically designated as a hedge, the objective of which is to match the timing of gain or loss recognition on the hedging derivative with the recognition of (i) the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk or (ii) the earnings effect of the hedged forecasted transaction. For a derivative not designated as a hedging instrument, the gain or loss is recognized in income in the period of change.

Historically, the Company has not entered into derivatives contracts to hedge existing risks or for speculative purposes.

At September 30, 2003, the Company has not engaged in any transactions that would be considered derivative instruments or hedging activities.

Compensated Absences
The Company currently does not have a policy regarding accruals of compensated absences. The Company intends to expense these costs as incurred.

Recent Accounting Pronouncements
In May 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 150, Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity (hereinafter SFAS No. 150). SFAS No. 150 establishes standards for classifying and measuring certain financial instruments with characteristics of both liabilities and equity and requires that those instruments be classified as liabilities in statements of financial position. Previously, many of those instruments were classified as equity. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003 and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Company has not yet determined the impact of the adoption of this statement.

REWARD ENTERPRISES, INC.
Notes to the Consolidated Financial Statements
(A Development Stage Company)
September 30, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements (Continued)

In April 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities (hereinafter SFAS No. 149). SFAS No. 149 amends and clarifies the accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities . This statement is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. The adoption of SFAS No. 149 is not expected to have a material impact on the financial position or results of operations of the Company.

In December 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 148, Accounting for Stock-Based Compensation Transition and Disclosure (hereinafter SFAS No. 148). SFAS No. 148 amends SFAS No. 123, Accounting for Stock-Based Compensation, to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, the statement amends the disclosure requirements of SFAS No. 123 to require prominent disclosure in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The provisions of the statement are effective for financial statements for fiscal years ending after December 15, 2002. The Company currently reports stock issued to employees under the rules of SFAS 123. Accordingly, there is no change in disclosure requirements due to SFAS 148.

In June 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 146, Accounting for Costs Associated with Exit or Disposal Activities (hereinafter SFAS No. 146). SFAS No. 146 addresses significant issues regarding the recognition, measurement, and reporting of costs associated with exit and disposal activities, including restructuring activities. SFAS No. 146 also addresses recognition of certain costs related to terminating a contract that is not a capital lease, costs to consolidate facilities or relocate employees, and termination benefits provided to employees that are involuntarily terminated under the terms of a one-time benefit arrangement that is not an ongoing benefit arrangement or an individual deferred-compensation contract. SFAS No. 146 was issued in June 2002, effective December 31, 2002 with early adoption encouraged. The impact on the Company s financial position or results of operations from adopting SFAS No. 146 has not been determined.

In April 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 145, Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections (hereinafter SFAS No. 145), which updates, clarifies and simplifies existing accounting pronouncements. FASB No. 4, which required all gains and losses from the extinguishment of debt to be aggregated and, if material, classified as an extraordinary item, net of related tax effect was rescinded. As a result, FASB No. 64, which amended FASB No. 4, was rescinded, as it was no longer necessary. FASB No. 44, Accounting for Intangible Assets of Motor Carriers , established the accounting requirements for the effects of transition to the provisions of the Motor Carrier Act of 1980. Since the transition has been completed, FASB No. 44 is no longer necessary and has been rescinded. SFAS No. 145 amended FASB No. 13 to eliminate an inconsistency between the required accounting for sale-leaseback transactions and the required accounting for certain lease modifications that have economic effects

REWARD ENTERPRISES, INC.
Notes to the Consolidated Financial Statements
(A Development Stage Company)
September 30, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements (Continued)

that are similar to sale-leaseback transactions. The Company adopted SFAS No. 145 and does not believe that the adoption will have a material effect on the financial statements of the Company at September 30, 2003.

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets (hereinafter SFAS No. 144). SFAS No. 144 replaces SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of. This standard establishes a single accounting model for long-lived assets to be disposed of by sale, including discontinued operations. SFAS No. 144 requires that these long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or discontinued operations. This statement is effective beginning for fiscal years after December 15, 2001, with earlier application encouraged. The Company adopted SFAS No. 144 and does not believe that the adoption will have a material impact on the financial statements of the Company at September 30, 2003.

In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 143, Accounting for Asset Retirement Obligations (hereinafter SFAS No. 143). SFAS No. 143 establishes guidelines related to the retirement of tangible long-lived assets of the Company and the associated retirement costs. This statement requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived assets. This statement is effective for financial statements issued for the fiscal years beginning after June 15, 2002 and with earlier application encouraged. The Company adopted SFAS No. 143 and does not believe that the adoption will have a material impact on the financial statements of the Company at September 30, 2003.

In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 141, "Business Combinations" (hereinafter SFAS No. 141) and Statement of Financial Accounting Standard No. 142, "Goodwill and Other Intangible Assets" (hereinafter SFAS No. 142). SFAS No. 141 provides for the elimination of the pooling-of-interests method of accounting for business combinations with an acquisition date of July 1, 2001 or later. SFAS No. 142 prohibits the amortization of goodwill and other intangible assets with indefinite lives and requires periodic reassessment of the underlying value of such assets for impairment. SFAS No. 142 is effective for fiscal years beginning after December 15, 2001. Application of the nonamortization provision of SFAS No. 142 had no effect on the operations or financial position of the Company.

In September 2000, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 140 Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities (hereinafter SFAS No. 140). This statement provides accounting and reporting standards for transfers and servicing of financial assets and extinguishment of liabilities and also provides consistent standards for distinguishing transfers of financial assets that are sales from transfers that are secured borrowings. SFAS No. 140 is effective for recognition and reclassification of collateral and for disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000, and is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after

REWARD ENTERPRISES, INC.
Notes to the Consolidated Financial Statements
(A Development Stage Company)
September 30, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements (Continued)

March 31, 2001. The Company believes that the adoption of this standard will not have a material effect on the Company s results of operations or financial position.

In January 2003, the Financial Accounting Standards Board issued FASB Interpretation No. 46 Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51 (hereinafter FIN 46). FIN 46 requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46 is effective for all new variable interest entities created or acquired after January 31, 2003. The provisions of FIN 46 must be applied for the first interim or annual period beginning after June 15, 2003. The Company does not have any entities that require disclosure or new consolidation as a result of adopting the provisions of FIN 46.

In November 2002, the Financial Accounting Standards Board issued FASB Interpretation No. 45 Guarantor s Accounting and Disclosure Requirements for Guarantees, including Indirect Guarantees of Indebtedness of Others (hereinafter FIN 45). FIN 45 requires a company, at the time it issues a guarantee, to recognize an initial liability for the fair value of obligations assumed under the guarantee and elaborates on existing disclosure requirements related to guarantees and warranties. The initial recognition requirements of FIN 45 are effective for guarantees issued or modified after December 31, 2002 and do not have an impact on the financial statements of the Company. The Company does not anticipate issuing any guarantees which would be required to be recognized as a liability under the provisions of FIN 45 and thus does not expect the adoption of this interpretation to have an impact on its results of operations or financial position.

Reclassifications
Certain prior year amounts have been reclassified to conform to the fiscal 2003 presentation.

Principles of Consolidation
The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Q Presents, Inc., after elimination of intercompany accounts and transactions.

NOTE 3 ACQUISITIONS

On August 15, 2001, Reward Enterprises, Inc. acquired Q Presents, Inc. with the issuance of 6,000,000 shares of common stock in exchange for all of the outstanding common stock of Q Presents, Inc. This transaction had an accounting date of August 31, 2001, which was the date that the transaction was final. The value of the stock issued at the fair market price of $0.35 per share was $2,100,000.

The purchase price of Q Presents, Inc. was $2,100,000, determined by the fair market value of Reward s stock. The net book deficit of assets acquired was $105,588.

REWARD ENTERPRISES, INC.
Notes to the Consolidated Financial Statements
(A Development Stage Company)
September 30, 2003

NOTE 3 ACQUISITIONS (Continued)

The assets and liabilities acquired were as follows as of August 31, 2001:

Cash in bank	$	9,093
Accounts receivable from officer		96
Website		43,000
Total Assets	$	52,189
Accounts payable	$	15,169
Interest payable to Reward		2,601
Note payable to Reward		140,000
Total Liabilities	$	157,777
Liabilities in excess of assets	$	105,588

After the elimination of $2,601 of interest owed between the companies, as part of the acquisition transaction, $102,987 was allotted to the value of the website based upon costs expensed during the website s development. The balance of the purchase price was allocated to goodwill that was acquired in the merger. Pursuant to the acquisition, Q Presents, Inc. became a wholly owned subsidiary of the Company.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The useful lives of property and equipment for purposes of computing depreciation is five years. The computer equipment in the Company s Vancouver office was abandoned when the Company moved to the Q Presents offices in California. The Company deemed this remaining book value of $1,059 to be an office expense for the quarter ending September 30, 2001.

NOTE 5 GOODWILL

The Company acquired goodwill in the acquisition of Q Presents, Inc. (See Note 3). This goodwill will be accounted for in accordance with SFAS No. 142. (See Note 2.) The Company will periodically review this asset for possible impairment. At June 30, 2003 it was determined the asset was impaired due to a permanent decline in the Company s stock value, and a charge for the impairment of $2,100,000 was recorded under operating expenses.

REWARD ENTERPRISES, INC.
Notes to the Consolidated Financial Statements
(A Development Stage Company)
September 30, 2003

NOTE 6 COMMON STOCK

Upon incorporation, subscriptions for 1,000,000 shares of common stock were issued at $0.01 per share for $10,000. In July 1999, the Company s board of directors authorized a 1 for 10 reverse stock split. This decreased the number of issued and outstanding shares to 1,000,000 and the par value of the stock to $0.001 per share. All financial statement information herein has been changed to reflect this stock split.

Additional share issuances under Regulation D, Rule 504, include 1,400,000 common shares at $0.01 and 315,000 common shares at $0.50 per share, for total proceeds of $171,500.

At June 30, 1999, $10,000 in stock subscriptions was receivable. During the year ended June 30, 2000, these subscriptions were satisfied.

During October 2000, 10,000,000 common stock shares were issued at $0.001 per share for cash proceeds of $10,000. This issuance resulted in one of the Company s officers receiving shares which constituted a 64% ownership in the Company. An additional 200,000 common stock shares were issued at $0.001 per share to satisfy a note payable. The 10,200,000 shares issued in these transactions were subsequently cancelled in accordance with the terms of the agreement to acquire Q Presents, Inc. (See Note 3.)

During December 2000, stock options were exercised in exchange for consulting fees payable. These stock options were exercised, resulting in 1,600,000 common stock shares being issued in exchange for satisfying $160,000 in consulting fees payable.

In 2001, 1,955,000 options for common stock were exercised. One million of the options were for cash at $0.10 per share. Another 325,000 of the options were for cash at $0.25 per share, and the remaining 630,000 options were for director services at $0.10 per share.

In August 2001, the Company issued 6,000,000 shares of common stock in its acquisition of Q Presents, Inc. (See Note 3.)

Between October and December 2001, 572,000 options for common stock were exercised. Two hundred thousand of the options were for cash at $0.10 per share and 372,000 options were for cash at $0.25 per share for which the Company received $113,000.

In December 2001, the Company issued an additional 890,000 shares of common stock to twelve investors in consideration of $890.

Between January and March 2002, the Company issued an additional 660,000 shares of common stock to three investors in consideration of $31,500.

In April 2002, the Company issued 2,945,000 shares of common stock for services in the amount of $14,725.

In May and June of 2002, the Company issued 366,667 shares of common stock for cash in the amount of $52,500.

Between July and September of 2002, the Company issued 293,333 shares of common stock for cash in the amount of $38,500.

In October 2002, the Company issued 725,000 shares of common stock for services totaling $7,250.

REWARD ENTERPRISES, INC.
Notes to the Consolidated Financial Statements
(A Development Stage Company)
September 30, 2003

NOTE 7 STOCK OPTIONS AND WARRANTS

In September 1998, the Company adopted the Reward Enterprises, Inc. 1999 Directors and Officers Stock Option Plan, a non-qualified plan. During 1999, the Company granted 2,500,000 common stock options for the services of consultants. The options issued include negotiation rights and begin vesting in June 1999, with 25% of the eligible shares vesting each year until the recipients are fully vested in their shares.

The Company entered into consulting agreements with three directors of the Company, whereby two of the directors would each receive $5,000 per month and 1,000,000 common stock options (with half exercisable at $0.10 per share and half exercisable at $0.25 per share) and the other director would receive $2,500 per month and 500,000 common stock options (with half exercisable at $0.10 per share and half exercisable at $0.25 per share). These consulting agreements were terminated effective October 31, 2000. All options related to these agreements expire April 30, 2009. At March 2001, a total of 630,000 options were exercised in exchange for accrued consulting fees due to them of $65,000.

On October 16, 2000, the Company adopted the 2000 Stock Option Plan, a non-qualified plan, that allows the Company to distribute up to 7,000,000 shares of common stock to directors, officers and employees. Stock options of 200,000 were granted to a consultant. The exercise price of these options is $0.10 per share for the first 100,000 options and $0.25 per share for the balance of 100,000 options. These options will expire September 30, 2009. During November 2000, 2,230,000 options were granted with an exercise price of $0.10 per share, in settlement of consulting fees with an expiration date of April 30, 2001. During the year ending June 30, 2001 a total of 3,455,000 options were exercised.

The fair value of each option granted is estimated on the grant date using the Black-Scholes option price calculation. The following assumptions were made in estimating fair value: Risk-free interest rate of 5% and expected life of ten years. A minimum volatility of 30% was used and resulted in no adjustment to compensation.

Between October and December 2001, options to purchase 572,000 shares of common stock were exercised and the Company received $103,000.

In December 2001, as part of the employment agreements with Mr. Edward Withrow III and Mr. Warren K. Withrow, the Company issued stock options for 1,000,000 shares with exercise prices of $0.04 per share and 400,000 shares with exercise prices of $0.10 per share. The Black-Scholes option price calculation of the fair value of these options is $10,400, based upon a risk-free interest rate of 5%, volatility of 30% and a term of ten years.

REWARD ENTERPRISES, INC.
Notes to the Consolidated Financial Statements
(A Development Stage Company)
September 30, 2003

NOTE 7 STOCK OPTIONS AND WARRANTS (Continued)

The Company signed an agreement with SBI USA, a member of Softbank Investment Group, in February 2002. (See Note 10.) This agreement included 3,000,000 warrants for purchase of 3,000,000 shares of common stock with exercise prices of $0.50, $0.75, and $1.00 per share. In May of 2002, the Company attached 500,000 warrants for an equal number of shares of common stock to promissory notes that were issued. (See Note 10.) The warrants have exercise prices from $0.05 to $0.10 per share. The Company also attached 40,000 warrants to various issuances of common stock in June 2002. The holders of the warrants may purchase an equal number of common stock shares at exercise prices from $0.25 to $0.45 per share. These warrants were valued using the Black-Scholes option price calculator using a risk-free interest rate of two percent, volatility of 70%, a term of one year, and either an equity price of $0.05 or $0.12 depending on the date of issuance. It was determined that the 400,000 warrants attached to one of the promissory notes had a value of $4,000., with an expiration date of May 14, 2003. The 400,000 warrants were not exercised and subsequently expired.

Following is a summary of the Company s stock options:

	Number Of Shares		Weighted Average Exercise Price
Outstanding at 6-30-2002	1,803,000	$	0.10
Granted			
Exercised			
Forfeited			
Outstanding at 6-30-2003	1,803,000	$	0.10
Options exercisable at 6-30-2003	1,803,000		
Weighted average fair value of options granted during the year ended June 30, 2002		$	0.01
Outstanding at 6-30-2003	1,803,000	$	0.10
Granted	-		-
Exercised	-		-
Forfeited	-		-
Outstanding at 9-30-2003	1,803,000	$	0.10
Options exercisable at 9-30-2003	1,803,000		
Weighted average fair value of options granted during the period ended September 30, 2003			-

REWARD ENTERPRISES, INC.
Notes to the Consolidated Financial Statements
(A Development Stage Company)
September 30, 2003

NOTE 8 RELATED PARTY TRANSACTIONS

Certain consultants who received common stock options under the Company s non-qualified stock option plan are the Company s directors and stockholders. (See Note 6.) Until October 2001, an associate of a director of the Company provided office space to the Company in exchange for services provided by the director. The value of this space was considered to be $2,000 per month and was considered to be a loan from the director at that time.

In September 2001, the Company s board of directors approved consulting agreements with Edward W. Withrow III and Warren K. Withrow for consulting/employment agreements providing for payments to each of $3,500 cash per month and options to purchase up to 1,800,000 shares of common stock. These options were subsequently reduced to 700,000 shares in December 2001 and the cash value of services was increased to $10,000 per month, which was to begin in April 2002; however, as of June 30, 2002, no compensation has been paid, and the agreements are being renegotiated.

The Company has yet to finalize compensation agreements with its officers, but has plans to do so in the very near future. These advances were written off as compensation in June 30, 2003. In the period ended September 30, 2003, the Company expensed a total of $46,250 to two of its officers as independent contractors and consultants. At September 30, 2003, the Company owed an additional $15,000 to an officer of the Company, and this liability is recorded as accounts payable related party.

From time to time the Company receives funds from related parties in the form of loans. These are recorded as unsecured, non-interest bearing, short-term loans, payable upon demand. At September 30, 2003, there were no related party loans outstanding.

NOTE 9 COMMITMENTS AND CONTINGENCIES

In September 2001, the Company also entered into a letter of intent with Live Media Events, Inc. On January 10, 2002, the Company and Live Media Events, Inc. entered into a cancellation and mutual release agreement on the aforementioned letter of intent.

In February 2002, the Company entered into a non-exclusive financial advisory contract with SBI USA, a member of Softbank Investment Group. In consideration for the services of SBI, the Company is obligated to pay a $12,500 retainer which becomes due and payable upon funding the Company s $500,000 promissory note. The Company also granted common stock warrants pursuant to this agreement. (See Note 7.) At September 30, 2003, the Company has not paid any of the retainer, and has not received any funding from the issuance of the aforementioned promissory note.

The Company s officers are employed as independent contractors and consultants, and as such, are responsible for all related payroll taxes arising from any payments made to them by the Company.

On June 1, 2003, the Company entered into a consulting agreement with Huntington Chase Financial Group LLC. The terms of the agreement are $10,000 per month for a six month period ending November 2003.

REWARD ENTERPRISES, INC.
Notes to the Consolidated Financial Statements
(A Development Stage Company)
September 30, 2003

NOTE 10 LOANS PAYABLE

The Company issued two convertible promissory notes for a total of $30,000 in May 2002 and one promissory note for $25,000 in January 2003 and one promissory note for $15,000 in June 2003 which bear interest rates at 20%, 15% and 15% respectively. The two convertible notes had warrants attached, and were convertible into common stock within 60 and 90 days of issuance. Neither note was converted. Under their original terms, the notes were payable on or before either 60 or 90 days from issuance. The $20,000 note is in default, and began accruing interest at 25% in July 2002. The terms of the $10,000 note were extended to December 31, 2002. The $4,000 value of the warrants on the $20,000 note resulted in that note being issued at a discount which will be amortized over the life of the original note. A total of $2,000 was amortized against the discount and a total of $8,313 was accrued as interest on these notes at June 30, 2003.

NOTE 11 DEFERRED REVENUE FROM JOINT VENTURE

The Company has entered into revenue sharing agreements with five individuals surrounding the Company s International Long Distance (ILD) telecommunications operation which delivers long distance telephone service from wholesale telecommunication operators between the United States and India. The individuals advanced $175,000 against future revenues that would be generated by the ILD. The Company agreed to split the net profits of the IDL on a 50-50 basis during the first twelve months of ILD being in operation. Profits are defined as gross revenue from wholesalers less termination costs (the cost to terminate a telephone call in India charged by the India telephone company), less the Company s India partners share of 30% and other expenses that approximate $20,000 a month. The maximum amount that the investors were to realize was a 100% return on investment. These advances were booked for financial statement purposes as Deferred Revenue on the balance sheet of the Company as of June 30, 2003 and will be recognized as revenue by the Company over twelve months once successful operation has begun. The Company is still working with its Indian partners and expects revenues to begin in the first calendar quarter of 2004.

NOTE 12 - SUBSEQUENT EVENT

On October 1, 2003, the Company entered into a promissory note for monies received in the amount of $10,000. The note is due and payable on November 1, 2003 at the rate of 12% interest per month with an administrative fee of $1,400 for a total due of $11,500. The Company is currently in default of said note and is negotiating the payment terms.

Item. 2 Management s Discussion and Analysis or Plan of Operation

THE FOLLOWING ANALYSIS OF THE RESULS OF OPERATIONS AND FINANCIAL CONDITION OF THE CORPORATION FOR THE PERIOD ENDING SEPTEMBER 30, 2003 SHOULD BE READ IN CONJUNCTION WITH THE CORPORATION'S CONSOLIDATED FINANCIALS STATEMENTS, INCLUDING THE NOTES THERETO, CONTAINED ELSEWHERE IN THIS FORM 10-QSB.

Reward Enterprises, Inc. (the "Corporation" or Reward) was incorporated in December, 1997 as Sports Entertainment Productions Inc. to pursue opportunities around the world in the Internet based entertainment industry. The name was changed to Reward Enterprises, Inc. in July 1998. Its main objective was to develop a profitable "Entertainment Mall" through an e-commerce secure "portal." Entertainment options offered would be videos, CDs, virtual casino-style games, free bingo, dice and specialty and interactive video games.

In early 2001, the Corporation became aware that it would likely not be able to continue with its efforts to develop an Internet gaming site, primarily as a result of the poor financial conditions in the marketplace. The Board of Directors then commenced a search for a new opportunity that would allow the Corporation to remain active in the Internet sector on a profitable basis. Q Presents, Inc., a Santa Monica, California (hereinafter QP) based private corporation, provided an ideal match which on April 12, 2001 resulted in an Acquisition Agreement between Reward and QP. Subsequently, the new management made the decision to balance its technology-based business model with a complimentary non-technical or Old Economy based business. Management made the decision to license the rights to an Old Economy business as opposed to creating one internally. New management has recently entered into the specialized international communications market to provide international voice, Internet access and global network services to corporate clients, communication carriers and Internet service providers. The Company will utilize the web-based platform that was originally intended as an event registration and automation solution for its telecommunication business.

RESULTS OF OPERATIONS

There were no revenues in the quarter ending September 30, 2003.

During the three months ending September 30, 2003, the Corporation incurred operating expenses of $79,890 compared to $64,185 for the three months ending September 30, 2002.

These expenses primarily consisted of general and administration costs of $12,734, amortization of $7,299, consulting of $56,250 and travel of $582.

The Corporation continues to carefully control its expenses, and has limited its debt outstanding as it moves forward with the implementation of its business plan. The Corporation has no employees at the present time and engages personnel through consulting agreements where necessary as well as outside attorneys, accountants and technical consultants. All previous consulting agreements have been terminated and there are no contingent liabilities resulting from this cancellation.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation has to date, financed its development stage by the sale of common stock. At September 30, 2003, the Corporation had 18,722,000 shares of common stock outstanding. During the period ended September 30, 2003, the Corporation did not issue any shares of its Common stock. The Company is overdrawn at the Bank of America in Los Angeles, California. The overdraft is included in Accounts Payable on the Balance Sheet for a total of $4,231.

On October 1, 2003, the Company entered into a promissory note for monies received in the amount of $10,000. The note is due and payable on November 1, 2003 at the rate of 12% interest per month with an administrative fee of

$1,400 for a total due of $11,500.

The Corporation recognizes that it will continue to need additional cash during the next twelve months. There is no assurance that the Corporation will be able to obtain additional capital as required, or obtain the capital on terms and conditions acceptable to it.

The Corporation does not have sufficient cash to finance its operations at this stage of its development and is seeking additional financing on acceptable terms and conditions.

The Corporation has no current plans for research and development nor does the Corporation plan on retaining or hiring any additional employees or consultants. There are no plans by the Corporation to purchase or to sell any fixed assets.

INFLATION

Inflation has not been a factor during the three months ending September 30, 2003. While inflationary forces are moderately higher than in 2002, the actual inflation is immaterial and is not considered a factor in any contemplated capital expenditure program.

Item 3. Controls and Procedures.

The Company's certifying officers are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and the Company s Chief Executive Officer and Chief Financial Officer have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
b) evaluated the effectiveness of the our disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date.

There have been no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II OTHER INFORMATION

Item 1. Legal Proceedings.

We know of no material, active or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation.

Item 2. Changes in Securities.

None

Item 3. Defaults Upon Senior Securities

Not Applicable

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

None

Item 5. Other Information.

None

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

Exhibits

31.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

***(b) Reports of Form 8-K*.**

Not Applicable.

SIGNATURES

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

Reward Enterprises, Inc.
(Registrant)

Date: December 18, 2003

By: /s/ *Ted Withrow*

Ted Withrow
President, Chief Executive Officer, Principal Executive Officer, Director

Date: December 18, 2003

By: /s/ *Joe Vigliarolo*

Joe Vigliarolo
Chief Financial Officer, Principal Financial Officer,