

ENTHEOS TECHNOLOGIES INC
Form 10QSB
May 15, 2003

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

FORM 10-QSB

(Mark One)

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

For quarterly period ended March 31, 2003

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 000-30156

ENTHEOS TECHNOLOGIES, INC.

(exact name of registrant as specified in its charter)

NEVADA

98-0170247

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(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

Suite 216 1628 West 1st Avenue, Vancouver, B.C.

V6J 1G1

(Address of principal executives offices)

(Postal Code)

Registrants telephone number, including area code

(604) 659-5005

Indicate by check mark whether the registrant: (1) has filed all reports required 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

State the number of shares outstanding of each of the Issuer's classes of common equity as of the latest practicable date. As of May 8, 2003, there were 16,104,187 shares of the Issuer's Common Stock, \$0.00001 par value per share outstanding.

Transitional Small Business Disclosure Format (Check One): Yes No

ENTHEOS TECHNOLOGIES, INC.

FORM 10-QSB, QUARTER ENDED MARCH 31, 2003

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ITEM 1. Financial Statements

In the opinion of management, the accompanying unaudited financial statements included in this Form 10-QSB reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

ENTHEOS TECHNOLOGIES, INC.
INTERIM CONSOLIDATED BALANCE SHEET

MARCH 31, 2003

(Unaudited)

ASSETS

Current Assets

| | |
|----------------------|-------------------|
| Cash | \$ <u>686,559</u> |
| Total Current Assets | <u>686,559</u> |

| | |
|--------------------------------------|---------|
| Property and equipment, net (Note 2) | 153,080 |
|--------------------------------------|---------|

| | |
|------------------------------|--------|
| Marketable Equity Securities | 30,031 |
|------------------------------|--------|

| | |
|--------------|------------------|
| Total Assets | <u>\$869,670</u> |
|--------------|------------------|

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities

| | |
|-------------------------------------------|--------------|
| Accounts payable | \$14,210 |
| Accounts payable - Related Party (Note 3) | 6,733 |
| Capital Lease Obligation - Current | <u>6,482</u> |
| Total Current Liabilities | 27,425 |

Long Term Liabilities

| | |
|-------------------------------------|---------------|
| Capital Lease Obligation-Noncurrent | <u>15,456</u> |
| Total Liabilities | 42,881 |

Stockholders' Equity

Preferred Stock: \$0.0001 Par Value; Authorized Shares,
10,000,000 shares; Issued and Outstanding, None

| | |
|-------------------------------------------------------------------------------------------------------|--------------------|
| | None |
| Common Stock: \$0.00001 Par Value; Authorized Shares, 200,000,000; Issued and Outstanding, 16,104,187 | |
| | 161 |
| Additional paid in capital | 3,853,921 |
| Accumulated Other Comprehensive Loss | (18,019) |
| Accumulated deficit | <u>(3,009,274)</u> |
| Total Stockholders' Equity | <u>826,789</u> |
| | |
| Total Liabilities and Stockholders' Equity | <u>\$869,670</u> |

See condensed notes to financial statements

ENTHEOS TECHNOLOGIES, INC.

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002

(Unaudited)

| | <u>2003</u> | <u>2002</u> |
|--------------------------------------------|---------------|---------------|
| Revenues (Related Party - 2002: \$160,330) | \$0 | \$165,330 |
| Cost of revenues | <u>0</u> | <u>44,441</u> |
| Gross profit | 0 | 120,889 |
| | | |
| General and administrative expenses- | | |
| Management fees - related party | <u>36,000</u> | <u>36,000</u> |
| Salaries and wages | <u>79,528</u> | <u>29,722</u> |
| Depreciation | <u>31,330</u> | <u>33,034</u> |
| Other operating expenses | <u>59,253</u> | <u>7,965</u> |

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| | | |
|----------------------------------------------------|--------------------|------------------|
| Total general and administrative expenses | <u>206,111</u> | <u>106,721</u> |
| Operating income (loss) | (206,111) | 14,168 |
| Interest Income | <u>2,198</u> | <u>6,200</u> |
| Net income (loss) available to common stockholders | <u>\$(203,913)</u> | <u>\$20,368</u> |
| Basic and diluted income (loss) per common share | <u>\$(0.01)</u> | <u>\$0.01</u> |
| Weighted average common shares outstanding | <u>16,104,187</u> | <u>1,970,887</u> |

See condensed notes to financial statements.

ENTHEOS TECHNOLOGIES, INC.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002

(Unaudited)

| | <u>2003</u> | <u>2002</u> |
|---------------------------------------------------------------------------------------------------|--------------|-------------|
| Cash flows from operating activities | | |
| Net income (loss) | \$ (203,913) | \$20,368 |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities | | |
| Depreciation | 31,330 | 33,034 |
| Stock compensation cost | 15,000 | 0 |
| Changes in assets and liabilities | | |
| (Increase) decrease in accounts receivable | 0 | (8,321) |
| (Increase) decrease in prepaid rent | 0 | 2,721 |

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| | | |
|-----------------------------------------------------------------|------------------|------------------|
| (Increase) decrease in security deposit | 9,290 | 0 |
| (Increase) decrease in accrued interest receivable | 0 | (2,500) |
| Increase (decrease) in accounts payable and accrued liabilities | <u>(8,817)</u> | <u>31,056</u> |
| Total adjustments | <u>46,803</u> | <u>55,990</u> |
| Net cash flows provided by (used in) operating activities | (157,110) | 76,358 |
| Cash flows from investing activities | | |
| Purchase of property and equipment | <u>(129)</u> | <u>(21,391)</u> |
| Net cash flows used in investing activities | (129) | (21,391) |
| Cash flows from financing activities | | |
| Principal payments on capital lease obligations | <u>(2,562)</u> | = |
| Net cash flows used in financing activities | (2,562) | - |
| Increase (Decrease) in cash and cash equivalents | (159,801) | 54,967 |
| Cash and cash equivalents, beginning of period | <u>846,360</u> | <u>826,603</u> |
| Cash and cash equivalents, end of period | <u>\$686,559</u> | <u>\$881,570</u> |

See condensed notes to financial statements

ENTHEOS TECHNOLOGIES, INC.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2003

NOTE 1 PRESENTATION OF INTERIM INFORMATION

The accompanying unaudited interim financial statements have been prepared in accordance with Form 10-QSB instructions and in the opinion of management of Entheos Technologies, Inc. and subsidiaries (the Company), include all normal adjustments considered necessary to present fairly the financial position as of March 31, 2003 and the results of operations for the three months ended March 31, 2003 and 2002. These results have been determined on the basis of generally accepted accounting principles and practices and applied consistently with those used in the preparation of the Company's 2002 Annual Report on Form 10-KSB.

Certain information and footnote disclosures normally included in the financial statements presented in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that the accompanying unaudited interim financial statements be read in conjunction with the financial statements and notes thereto incorporated by reference in the Company's 2002 Annual Report on Form 10-KSB.

Certain accounts have been reclassified to conform to the current period's presentation. These changes have no effect on previously reported results of operations or total stockholders' equity.

NOTE 2 PROPERTY AND EQUIPMENT

Property and Equipment consists of the following at March 31, 2003:

Computer equipment

\$519,322

Computer software

70,890

Vehicles under capital lease

30,360

Office Equipment

129

Furniture and Fixtures

11,614

Total

632,315

Less Accumulated Depreciation

479,235

Net Book Value

\$153,080

Depreciation expense charged to operations during 2003 was \$31,330 (2002: \$33,034).

NOTE 3 RELATED PARTY TRANSACTIONS

Revenues - Related Party Substantially all (97%) of the Company's revenues during the first quarter of 2002 was derived from the Company's principal client, EquityAlert.com, Inc., a subsidiary of Innotech Corporation, which ceased operation during October, 2002. The Company and Innotech Corporation have a common Director and majority shareholder.

Accounts Payable - Related party Balance of severance pay due to the company's former president and director, who resigned on February 10th 2003. During the quarter ended March 31, 2003, the Company offset its balance due from a former officer with a payment due for severance wages to the same former officer in a non-cash transaction.

Management Fees During the three months ended March 31, 2003 and 2002, the Company charged \$36,000 and \$36,000, respectively, to operations for management and consulting fees incurred for services rendered by Mr. Harmel S. Rayat, the chairman and majority stockholder.

Properties The Company's office is located at Suite 216, 1628 West 1st Avenue, Vancouver, BC, V6J 1G1. These premises are owned by the wife and father of the Company's President and CEO. At present, the Company pays no rent. The fair value of the rent has not been included in the financial statements because the amount is immaterial.

NOTE 4 BASIC LOSS PER SHARE

Basic earnings or loss per share is based on the weighted average number of shares outstanding during the period of the financial statements. Diluted earnings or loss per share are based on the weighted average number of common shares outstanding and dilutive common stock equivalents. All per share and per share information are adjusted retroactively to reflect stock splits and changes in par value, when applicable. All earnings or loss per share amounts in the financial statements are basic earnings or loss per share. The computation of basic and diluted income (loss) per share is as follows at March 31:

| | <u>2003</u> | <u>2002</u> |
|------------------------------------------------------------------|----------------------|------------------|
| Numerator-net income (loss) available to common stockholders | \$(<u>203,913</u>) | \$ <u>20,368</u> |
| Denominator-weighted average number of common shares outstanding | 16,104,187 | 1,970,887 |
| Basic and diluted income (loss) per common share | \$(<u>0.01</u>) | \$ <u>0.01</u> |

NOTE 5 STOCK OPTIONS

On December 20, 2002, the Company's Board of Directors agreed to establish 1,500,000 stock options from the Company's 2001 Stock Option Plan, with terms and conditions, such as expiration dates and vesting periods being defined and agreed upon in individual stock option agreements at a Board of Directors meeting held on February 11th, 2003, when the Company's Board of Directors agreed to enter into 10 year NonStatutory Stock Option Agreements with certain individuals to purchase common stock at \$0.06 per share, expiring 10 years from the grant date. The option price was based on the closing price of the Company's shares on December 16th, 2002. All of the options are exercisable in three (3) equal installments of thirty-three and one-third percent (33 1/3%), the first installment to be exercisable immediately, with an additional thirty-three and one-third percent (33 1/3%) of the shares becoming exercisable on each of the two (2) successive anniversary dates

Of the 1,500,000 stock options issued, 1,020,000 were granted to current Directors of the Company and 170,000 stock options were granted to the former President and director of the Company. The remaining options granted represented those issued to three employees of the Company.

The Board of Directors also authorized the Company to grant 5,000 options to purchase common stock to its current President at \$0.51 per share based on the closing price of the Company's

shares on January 24, 2003, and expiring 10 years from the grant date. The options become exercisable in two equal installments of fifty percent (50%), with the first installment becoming exercisable immediately and the balance becoming exercisable in 180 days.

Total options exercisable as of March 31, 2003 were 500,000 at \$0.06 per share and \$2,500 at \$0.51 per share. All of the options granted were outstanding as of March 31, 2003.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

When used in this discussion, the words, "believes", "anticipates", "expects" and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties, which could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Readers are also urged to carefully review and consider the various disclosures made by the Company which attempt to advise interested parties of the factors which affect the Company's business, in this report, as well as the Company's periodic reports on Forms 10-KSB, 10-QSB and 8-K filed with the Securities and Exchange Commission.

Overview

Entheos Technologies Inc. ("Entheos" or the "Company"), through its wholly-owned subsidiary, Email Solutions, Inc., operates as an Application Service Provider developing reliable, scalable, real time, high volume outsourced email services. While the Company continues to market its email ASP services, which includes the deployment, management and hosting of pre-packaged software applications through centrally located servers, to date the Company has realized limited success at attracting new clients due to strong competition and a dearth of high volume email clients, many of whom are either entrenched with existing vendors or have developed in house applications and infrastructures. As a result, the Company presently operates on a limited basis and plans to sell its ASP business and use the sale proceeds, as well as other available cash, to invest in or develop other technology-based ventures.

Critical Accounting Policies

Our discussion and analysis or plan of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to income taxes and contingencies. We base our estimates on historical experience

and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Management believes the following critical accounting policies reflect its more significant estimates and assumptions used in the preparation of its financial statements.

Income Taxes

We record a valuation allowance to reduce our deferred tax assets to the amount that is more likely than not to be realized. We have considered future market growth, forecasted earnings, future taxable income, and prudent and feasible tax planning strategies in determining the need for a valuation allowance. We currently have recorded a full valuation allowance against net deferred tax assets as we currently believe it is more likely than not that the deferred tax assets will not be realized.

Contingencies

We may be subject to certain asserted and unasserted claims encountered in the normal course of business. It is our belief that the resolution of these matters will not have a material adverse effect on our financial position or results of operations, however, we cannot provide assurance that damages that result in a material adverse effect on our financial position or results of operations will not be imposed in these matters. We account for contingent liabilities when it is probable that future expenditures will be made and such expenditures can be reasonably estimated.

Results of operations

Revenues. The Company generated \$0 and \$165,330 in revenues for the three months ended March 31, 2003 and 2002. Of the \$165,330 decrease, \$160,330 was due to the loss of the Company's principal client, EquityAlert.com, Inc., a subsidiary of Innotech Corporation, which ceased operation during October, 2002. The Company and Innotech Corporation have a common Director and majority shareholder.

Cost of revenues. The Company incurred \$44,441 in cost of revenues for the three months ended March 31, 2002, for gross margin of approximately 27%.

General and administrative expenses. During the three months ended March 31, 2003, and 2002, the Company incurred \$206,111 and \$106,721, respectively, an increase of \$99,390, primarily due to all salaries and wages classified as general and administrative expenses due to the Company's lack of revenues during the three months ended March 31, 2003.

Interest income. Interest income was \$2,198 and \$6,200 for the three-month period ended March 31, 2003 and 2002, respectively. The decrease of 64.5% in interest income is a direct result of changes in interest rates. Interest earned in the future will be dependent on Company funding cycles and prevailing interest rates.

Provision for income taxes. As of March 31, 2003, the Company's accumulated deficit was \$3,009,274 and as a result, there has been no provision for income taxes to date.

Net income (loss). For the three months ended March 31, 2003 and 2002, the Company recorded a net loss of \$188,913 and net income of \$20,368, respectively.

Liquidity and Capital Resources

As at March 31, 2003, the Company had a cash balance of \$686,559, compared to \$855,386 as at December 31, 2002. The Company has financed its operations primarily through cash on hand during the three-month period ending March 30, 2003.

Net cash flows used in by operating activities was \$157,110 for the three-month period ending March 31, 2003, compared to net cash provided of \$76,358 for the same period in 2002, primarily due to net loss from operations. The Company believes it has sufficient cash to satisfy its cash requirements for at the next twelve months.

Net cash flows used in investing activities was \$129 for the three-month period ending March 31, 2003, compared to \$21,391 for same period during 2002. This decrease of \$21,262 was primarily due lower equipment purchases during the period.

The Company's future funding requirements will depend on numerous factors. These factors include the Company's ability to operate its business profitably in the future, recruit and train qualified management, technical and sales

personnel, and the Company's ability to compete against other, better-capitalized corporations. The Company has adequate cash to satisfy its cash requirements over the next twelve months. The Company may raise additional funds through private or public equity investment in order to expand the range and scope of its business operations. There is no assurance that such additional funds will be available for the Company to finance its operations on acceptable terms, if at all.

Related Party Transactions

Revenues - Related Party Substantially all (97%) of the Company's revenues during the first quarter of 2002 was derived from the Company's principal client, EquityAlert.com, Inc., a subsidiary of Innotech Corporation, which ceased operation during October, 2002. The Company and Innotech Corporation have a common Director and majority shareholder.

Accounts Payable - Related party Balance of severance pay due to the company's former president and director, who resigned on February 10th 2003.

Management Fees During the three months ended March 31, 2003 and 2002, the Company charged \$36,000 and \$36,000, respectively, to operations for management and consulting fees incurred for services rendered by Mr. Harmel S. Rayat, the chairman and majority stockholder.

Properties The Company's office is located at Suite 216, 1628 West 1st Avenue, Vancouver, BC, V6J 1G1. These premises are owned by the wife and father of the Company's President and CEO. At present, the Company pays no rent. The fair value of the rent has not been included in the financial statements because the amount is immaterial.

Recent Accounting Pronouncements

In January 2003, the Financial Accounting Standards Board issued Interpretation No. 46 "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51" (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. For variable interest entities created or acquired prior to February 1, 2003,

the provisions of FIN 46 must be applied for the first interim or annual period beginning after June 15, 2003. Management does not anticipate that FIN 46 will have any effect on the on the Company.

ITEM 3. Controls and Procedures

The chief executive officer and the principal financial officer of the Registrant have concluded based on their evaluation as of a date within 90 days prior to the date of the filing of this Report, that the Registrant's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Registrant in the reports filed or submitted by it under the Securities Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by the Registrant in such reports is accumulated and communicated to the Registrant's management, including the president, as appropriate to allow timely decisions regarding required disclosure.

There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of such evaluation.

PART II Other Information

Item 1. Legal Proceedings

None

Item 2. Changes in Securities

None

Item 3. Defaults Upon Senior Securities

None

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

(a) Exhibits

Exhibit 99.1 Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 1350 of Chapter 63 of Title 18 U.S. Code

(b) Reports on Form 8-K

(i) The Company filed Form 8-K on February 10, 2003 under (1) Item 5 to disclose a severance package to its former President and the establishment of 5,000 stock options to its new President, and (2) under Item 6 to disclose the resignation of its former President and the appointment of its new President.

(ii) The Company filed Form 8-K on February 11, 2003 under Item 5 under Item 5 disclosing the terms and conditions of 1,505,000 stock options issued, including grant agreements.

Signature Page

Pursuant to the requirements of section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENTHEOS TECHNOLOGIES, INC

/s/ Stanley D. Wong

Stanley D. Wong

CEO and President

/s/ Harmel S. Rayat

Harmel S. Rayat

Director

/s/ Terry DuMoulin

Terri DuMoulin

Director, Secretary & Treasurer

Principal Financial Officer

Dated: May 14, 2003

CERTIFICATIONS

I, Stanley D. Wong, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Entheos Technologies, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I 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 we 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 registrant's 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;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2003

/s/ Stanley D. Wong
Stanley D. Wong

Chief Executive Officer

I, Terri DuMoulin, certify that:

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1. I have reviewed this quarterly report on Form 10-QSB of Entheos Technologies, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I 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 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 registrant's 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;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2003

/s/ Terri DuMoulin

Terri DuMoulin

Principal Financial Officer

Exhibit 99.1

**CERTIFICATION
OF
CHIEF EXECUTIVE OFFICER
AND
CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Stanley D. Wong, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-QSB of Enterprise Technologies, Inc. for the quarter ended March 31, 2003, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-QSB fairly presents, in all material respects, the financial condition and results of operations of Entheos Technologies, Inc.

Date: May 14, 2003

/s/ Stanley D. Wong

Stanley D. Wong

Chief Executive Officer

I, Terri DuMoulin, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-QSB of Enterprise Technologies, Inc. for the quarter ended March 31, 2003, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-QSB fairly presents, in all material respects, the financial condition and results of operations of Entheos Technologies, Inc.

Date: May 14, 2003

/s/ Terri DuMoulin

Terri DuMoulin

Principal Financial Officer