

CAREDECISION CORP
Form 10QSB/A
February 09, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB/A

Amendment 1

(Mark One)

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

For the quarterly period ended: March 31, 2003

Or

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: 000-33187

CareDecision Corporation

(Exact name of registrant as specified in its charter)

Nevada

91-2105842

(State or other jurisdiction of incorporation or organization)

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

2 Penn Plaza, 15th Floor, Suite 1500-53, New York, NY

10121

(Address of principal executive offices)

(Zip Code)

(212) 292-4959

(Registrant's telephone number, including area code)

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

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

Yes No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of each of the issuer's classes of common stock as of the most recent practicable date: 80,864,137

CareDecision Corporation
[formerly ATR Search Corporation]
(a Development Stage Company)

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CareDecision Corporation
[formerly ATR Search Corporation]
(a Development Stage Company)

Consolidated Balance Sheet

as of

March 31, 2003 (unaudited)

and

Consolidated Statements of Operations

for the Three Months Ended

March 31, 2003 and 2002 (unaudited),

and For the Period

June 21, 2001 (Inception) to March 31, 2003 (unaudited)

and

Consolidated Statements of Cash Flows
for the Three Months Ended
March 31, 2003 and 2002 (unaudited),
and For the Period
June 21, 2001 (Inception) to March 31, 2003 (unaudited)

CareDecision Corporation
[formerly ATR Search Corporation]
(a Development Stage Company)
Consolidated Balance Sheet
(unaudited)

| Assets | March 31, 2003 (Restated) |
|--|---------------------------------|
| Current assets: | |
| Cash and equivalents | \$ 81,032 |
| Prepaid interest | 67,680 |
| Notes receivable | 3,464 |
| Total current assets | 152,176 |
| | |
| Fixed assets, net | 621,625 |
| | |
| Loan to officer | 388 |
| | \$ 774,189 |
| | |
| Liabilities and Stockholders Equity | |
| Current liabilities: | |
| Note payable to shareholder | \$ 37,199 |
| Notes payable | 506,830 |
| Total current liabilities | 544,029 |
| | |
| Convertible notes related party | 50,000 |
| | 594,029 |

Stockholders' equity:

| | |
|---|-------------|
| Common stock, \$0.001 par value, 200,000,000 shares authorized, 80,864,137 shares issued and outstanding | 80,864 |
| Additional paid-in capital | 3,918,145 |
| (Deficit) accumulated during development stage | (3,818,849) |
| | 180,160 |
| | \$ 774,189 |

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

CareDecision Corporation
[formerly ATR Search Corporation]
(a Development Stage Company)
Consolidated Statements of Operations
(unaudited)

| | For the three months ended March 31, | | June 21, 2001 (inception) to March 31, 2003 |
|-------------------------------------|---|------|--|
| | 2003 (Restated) | 2002 | (Restated) |
| Revenue | \$ 500 | \$ - | \$ 2,500 |
| Expenses: | | | |
| General & administrative expenses | 38,878 | - | 136,755 |
| Payroll expense | 58,881 | - | 245,700 |
| Professional fees | 30,570 | - | 202,422 |
| Stock-based compensation | 293,150 | - | 1,937,632 |
| Software development | 1,000 | - | 130,000 |
| Impairment loss on operating assets | - | - | 1,000,770 |
| Depreciation | - | - | 45,310 |
| Total expenses | 422,479 | - | 3,698,589 |
| Other income (expense): | | | |
| (Loss) on debt settlement | - | - | (25,925) |
| Interest income | 560 | - | 2,790 |
| Interest (expenses) | (10,823) | - | (99,624) |
| Net (loss) | \$ (432,242) | \$ - | \$ (3,818,848) |

| | | | |
|--|----------------------------|------------|------------|
| Weighted average number of common shares outstanding | basic and fully diluted | 80,864,137 | 17,789,500 |
| Net (loss) per share diluted | basic and fully diluted | \$ (0.01) | \$ - |

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

CareDecision Corporation
[formerly ATR Search Corporation]
(a Development Stage Company)
Consolidated Statements of Cash Flows
(unaudited)

| | For the three months ended March 31, | | June 21, 2001 (inception) to March 31, 2003 |
|---|---|------|---|
| | 2003 (Restated) | 2002 | (Restated) |
| Cash flows from operating activities | | | |
| Net (loss) | \$ (432,242) | \$ - | \$ (3,818,848) |
| Shares issued for services | 293,150 | - | 1,937,632 |
| Loss on debt settlement | - | - | 25,925 |
| Impairment loss on operating assets | - | - | 1,000,770 |
| Depreciation | - | - | 45,310 |
| Adjustments to reconcile net (loss) to net cash (used) by operating activities: | | | |
| (Increase) decrease in notes receivable | 1,912 | - | (3,464) |
| (Increase) decrease in loan to officer | 10,611 | - | (388) |
| Net cash (used) by operating activities | (126,569) | - | (812,675) |
| Cash flows from financing activities | | | |
| Proceeds from convertible notes related party | 50,000 | - | 50,000 |

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| | | | |
|---|-----------|------|------------|
| Proceeds from notes payable | - | - | 545,646 |
| Proceeds from note payable to shareholder | 46,500 | - | 37,199 |
| Issuance of common stock | - | - | 260,862 |
| Net cash provided by financing activities | 96,500 | - | 893,707 |
| Net increase in cash | (30,069) | - | 81,032 |
| Cash beginning | 111,101 | - | - |
| Cash ending | \$ 81,032 | \$ - | \$ 81,032 |
| Supplemental disclosures: | | | |
| Interest paid | \$ - | \$ - | \$ - |
| Income taxes paid | \$ - | \$ - | \$ - |
| Non-cash transactions: | | | |
| Number of shares issued for services provided | 5,500,000 | - | 25,117,737 |

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

CareDecision Corporation

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(a Development Stage Company)

Notes to Restated Financial Statements

Note 1 Basis of presentation

The consolidated interim financial statements included herein, presented in accordance with United States generally accepted accounting principles and stated in US dollars, have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for fair presentation of the information contained therein. It is suggested that these consolidated interim financial statements be read in conjunction with the consolidated financial statements of the Company for the period ended December 31, 2002 and notes thereto included in the Company's Form 10-KSB. The Company follows the same accounting policies in the preparation of consolidated interim reports.

Results of operations for the interim periods are not indicative of annual results.

Note 2 Going concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the recoverability of assets and the satisfaction of liabilities in the normal course of business. As noted above, the Company is in the development stage and, accordingly, has not yet generated a proven history of operations. Since its inception, the Company has been engaged substantially in financing activities and developing its product line, incurring substantial costs and expenses. As a result, the Company incurred accumulated net losses from June 21, 2001 (inception) through the period ended March 31, 2003 of \$(3,818,848). In addition, the Company's development activities since inception have been financially sustained by capital contributions.

The ability of the Company to continue as a going concern is dependent upon its ability to raise additional capital from the sale of common stock and, ultimately, the achievement of significant operating results. The accompanying financial statements do not include any adjustments that might be required should the Company be unable to recover the value of its assets or satisfy its liabilities.

Note 3 Restatement of financial statements due to change in accounting principle

The Company determined during the year ending December 31, 2003 that it is appropriate to reclassify software acquired in 2001 and 2002 from intellectual property to fixed assets. The Company also determined that it should write down certain assets as an impairment loss given its current business focus and its decision to sell or hypothecate these assets. The effect of the change required a restatement of the December 31, 2002 financial statements in order to properly reflect the asset reclassification and the related adjustment to depreciation expense and impairment loss on operating assets. The effect of this change was to increase net loss for the year ended December 31, 2002 by \$1,000,770. Retained earnings as of January 1, 2002 has been adjusted for the retroactive application of the change in accounting principle.

Note 4 Notes payable related party

During the three months ended March 31, 2003, the Company received loans totaling \$46,500 from a Company shareholder and director. The notes bear interest at 9% per annum and are due 365 days from date of issuance.

During the three months ended March 31, 2003, the Company recorded interest expense of \$10,823.

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Notes to Restated Financial Statements

Note 5 Convertible notes

During the three months ended March 31, 2003, the Company received a loan totaling \$50,000 from a Company shareholder. The note is convertible into 1,538,500 shares of the Company's \$0.001 par value common stock at a strike price of \$0.0325 per share. The convertible note also carried with it 1,538,500 warrants exercisable on a one-for-one basis at a strike price of \$0.0325 per share. On April 22, 2003, the holder elected to convert the note into 1,538,500 shares of the Company's \$0.001 par value common stock.

Note 6 Stockholder's equity

The Company is authorized to issue 5,000,000 shares of \$0.001 par value preferred stock and 200,000,000 shares of \$0.001 par value common stock.

On January 24, 2003, the Company issued 5,500,000 shares of \$0.001 par value common stock to two individuals for consulting services valued at \$231,000.

There have been no other issuances of preferred or common stock.

Note 7 Related party transactions

During the three months ended March 31, 2003, the Company received \$46,500 from Robert Cox, a Company shareholder and Chairman of the Board. The notes are due on 365 days from issuance and accrued interest at 9% per

annum.

During the three months ended March 31, 2003, the Company received \$50,000 from Dr. Thomas Chillemi, a Company shareholder, the note is convertible into 1,538,500 shares of the Company's \$0.001 par value common stock and carries with it 1,538,500 warrants exercisable on a one-for-one basis at a strike price at \$0.0325 per share.

Note 8 Stock option plan

On January 1, 2003, the Company adopted its 2003 Stock Option Plan (the Plan) and granted incentive and nonqualified stock options with rights to purchase 25,000,000 shares of the Company's \$0.001 par value common stock. The Company issued 5,500,000 shares of stock valued at \$62,150 pursuant to the plan during the three months ended March 31, 2003. The options are considered to be anti-dilutive.

Note 9 Subsequent events

On May 5, 2003, the Company announced it has signed an agreement with a third party hotel management company for the purchase and installation of the Company's proprietary ResidenceWare multi-unit messaging management system. The agreement specifies an immediate initial installation of 250 units at a minimum of five hotel locations.

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Notes to Restated Financial Statements

Note 10 Reverse acquisitions agreement with Medicius, Inc. (MED)

On June 21, 2001, the Company entered into an agreement with MED whereby the Company acquired all of the issued and outstanding common stock of NDI in exchange for 38,043,863 voting shares of the Company's \$0.001 par value common stock. The acquisition was accounted for using the purchase method of accounting as applicable to reverse acquisitions because the former stockholders of the MED controlled the Company's common stock immediately upon conclusion of the transaction. Under reverse acquisition accounting, the post-acquisition entity was accounted for as a recapitalization of MED. The common stock issued was recorded at \$0, being the fair value of the Company's assets on the acquisition date.

Item 2. Management's Discussion and Plan of Operation

Forward-Looking Statements

This Quarterly Report contains forward-looking statements about our business, financial condition and prospects that reflect our assumptions and beliefs based on information currently available. We can give no assurance that the expectations indicated by such forward-looking statements will be realized. If any of our assumptions should prove incorrect, or if any of the risks and uncertainties underlying such expectations should materialize, our actual results may differ materially from those indicated by the forward-looking statements.

The key factors that are not within our control and that may have a direct bearing on operating results include, but are not limited to, acceptance of our services, our ability to expand our customer base, our ability to raise capital in the future, the retention of key employees and changes in the regulation of our industry. There may be other risks and circumstances that we are unable to predict. When used in this Quarterly Report, words such as, "*believes,*" "*expects,*" "*intends,*" "*plans,*" "*anticipates,*" "*estimates*" and similar expressions are intended to identify forward-looking statements, although there may be certain forward-looking statements not accompanied by such expressions. All forward-looking statements are intended to be covered by the safe harbor created by Section 21E of the Securities Exchange Act of 1934.

General

Our principal product is an E-Health handheld information appliance software package. We presently have a comprehensive suite of medical information technology and Internet communication applications, integrated for medical professional use on a wireless PDA Internet appliance. These applications have been designed to meet the needs of both the inpatient and outpatient medical environments and are not just commercially viable but also regulatory standard compliant. Additionally, our software applications were conceived and implemented to offer the medical professional the ability to monitor patient treatment plans on the same handheld information appliance.

Our software is designed to integrate point of care medical applications, treatment protocols and up to the moment patient histories coupled with real-time on-line medical insurance claims submission. Our ultimate key to success

resides in providing the private practice physician with the capability to, sequentially, learn about the history of his or her patient during, or prior to, entering the examining room, treat the patient and update the insurer of the episode of care. Accomplishing these objectives resolves a major dilemma for the health care provider; instantaneous communication of vital patient related information at or before the patient encounter.

Our technologies are grounded in the central need to furnish the doctor with crucial point-of-care patient information rapidly and reliably via a PDA. It utilizes the power of the Internet to move large amounts of data to and from a variety of platforms securely via a powerful Windows CE based PDA designed for portability and upgradability. Totally compliant with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), this PDA technology is among the first to offer complicated and real-time point of care applications, previously legacy (mainframe or PC network) system applications, on a totally portable (PDA) appliance.

Our PDA software operates on any Microsoft Windows CE Pocket PC based handheld device, either in a wireless or wired mode. The local host for our PDA devices is a Windows (9X, NT or later) based PC in the physician's office, which, in turn, permits one to eight of the aforementioned PDAs to be linked to the medical network and allows each PDA to become a uniquely identified mobile node on the medical network, independent of PC linkage, thereby, assisting the doctor in the review of relevant patient medical history, medications and prescriptions, lab test ordering, medical step processes and protocols and specialist referral processes.

The PDA software provides rules based software capabilities and the ability to receive order fulfillment information for over 5,000 patients simultaneously, which represents approximately 3 years of patient encounters in a typical primary care medical practice, and allows medical professionals to access payor and health plan business rules, and policy/plan coverage's directly from the plan(s).

Results of Operations

The following is an itemization of our results of operations for the three-month period ended March 31, 2003. There are no comparables for the three-month period ended March 31, 2002 as no revenues were generated and no expenses incurred in that period.

REVENUES. Total revenues for the three-month period ended March 31, 2003 were \$500. As a development stage company we have yet to generate significant revenues and we cannot guarantee with certainty when we will begin to generate significant revenues. Our future revenues will be reliant on the acceptance of our software systems, communication tools and suite of software applications.

GENERAL AND ADMINISTRATIVE. General and Administrative expenses relate to the operation and leasing costs of our corporate office. General and administrative expenses for the three-month period ended March 31, 2003 were \$38,878.

PAYROLL. Payroll expense consists primarily of management and employee salaries. Total payroll expense for the three-month period ended March 31, 2003 was \$58,881.

PROFESSIONAL FEES. Professional fees include fees paid to our accountants and attorneys. Our professional fees were \$30,570 for the three-month period ended March 31, 2003.

STOCK-BASED COMPENSATION. Stock-based compensation expense includes fees paid to individuals engaged to assist management in the furtherance of our business plan. Stock-based compensation expenses for the three-month period ended March 31, 2003 were \$293,150.

SOFTWARE DEVELOPMENT. Software Development cost was minimal as our software systems; communication tools and suite of software applications are complete. Software Development expense for the three-month period ended March 31, 2003 was \$1,000.

IMPAIRMENT LOSS ON OPERATING ASSETS. The company incurred no such costs for the three-month period ended March 31, 2003.

DEPRECIATION. Depreciation was \$0 for the three-month period ended March 31, 2003. This represents depreciation on the assets of the Company.

TOTAL OPERATING EXPENSES. Total operating expenses for the three-month period ended March 31, 2003 were \$422,479. Our most significant operating expenses are stock-based compensation and payroll expenses.

LOSS FROM OPERATIONS/NET LOSS. Our loss from operations was \$432,242 for the three-month period ended March 31, 2003. It should be expected that we would continue to incur losses from operations until such time as revenues can be generated to cover such costs.

Future Business

The elements of our future business strategy include: expanding geographically into key markets through a combination of opening new offices and developing relationships with clients to generate demand for our services; recruiting qualified, medical software and other technical personnel to perform technical, implementation and support duties as contracts are entered into, although there can be no assurance that any such contracts will be secured; and pursuing entry into new markets complementary to our proposed operations. Future operations are dependent upon our ability to implement our business and marketing strategies and to establish relationships and contracts with health insurers and HMOs to provide our e-healthcare products and services.

Liquidity and Capital Resources

Management believes our cash on hand of \$81,032 will not be sufficient to fund ongoing fiscal 2003 and 2004 operations and provide for our working capital needs given we have negative working capital of \$391,853. Thus we will from time to time need to raise additional funds through capital markets. Our accountant has issued a note concerning our ability to continue as a going concern. As we are still considered to be in the development stage, our prospects of continuing as a going concern are contingent upon our ability to raise additional capital and to achieve and maintain profitable operations. Revenues generated over and above expenses will be used for further development of our services, to provide financing for marketing and promotion, to secure additional customers, equipment and personnel, and for other working capital purposes.

To date, we have financed our cash flow requirements through an issuance of common stock and through the issuance of notes. During the three months ended March 31, 2003, we received loans totaling \$46,500 from a Company shareholder and director. The notes bear interest at 9% per annum and are due 365 days from date of issuance. In addition, during the three months ended March 31, 2003, we received a loan totaling \$50,000 from a Company shareholder. The note is convertible into 1,538,500 shares of the Company's \$0.001 par value common stock at a strike price of \$0.0325 per share. The convertible note also carried with it 1,538,500 warrants exercisable on a one-for-one basis at a strike price of \$0.0325 per share. On April 22, 2003, the holder elected to convert the note into 1,538,500 shares of the Company's \$0.001 par value common stock.

During our normal course of business, we will experience net negative cash flows from operations, pending receipt of revenues. Further, we will be obtaining financing to fund operations through additional common stock offerings, note issuances and bank borrowings, to the extent available, or to obtain additional financing to the extent necessary to augment our available cash on hand.

All investor inquiries should be directed via mail to Mr. Robert Cox, President, CareDecision Corp. 2 Penn Plaza, 15th Floor, Suite 1500-53, New York, New York 10121.

PART II OTHER INFORMATION

Item 6(a) Exhibits

| Exhibit Number | Name and/or Identification of Exhibit |
|-----------------------|---|
| 3.1 | Articles of Incorporation & By-Laws (a) Articles of Incorporation of the Company filed March 2, 2001. Incorporated by reference to the exhibits to the Company's General Form For Registration Of Securities Of Small Business Issuers on Form 10-SB, previously filed with the Commission. (b) Certificate of Amendment to the Articles of Incorporation of the Company filed May 9, 2001. Incorporated by reference to the exhibits to the Company's General Form For Registration Of Securities Of Small Business Issuers on Form 10-SB, previously filed with the Commission. (c) Certificate of Amendment to the Articles of Incorporation of the Company filed August 2, 2002. Incorporated by reference to the exhibits to the Company's June 30, 2002 Quarterly Report on Form 10-QSB, previously filed with the Commission. |
| 3.2 | By-Laws of the Company adopted March 16, 2001. Incorporated by reference to the exhibits to the Company's General Form For Registration Of Securities Of Small Business Issuers on Form 10-SB, previously filed with the Commission. |
| 99.1 | Certification under Section 906 of the Sarbanes-Oxley Act (18 U.S.C. SECTION 1350) |

Item 6(b) Reports Filed on Form 8-K

For the quarter ended March 31, 2003 the Company did not file any reports on Form 8-K with the Securities and Exchange Commission.

SIGNATURES

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

CareDecision Corporation

(Registrant)

Date: February 8, 2005

By: /s/ Robert Cox

Robert Cox

President and CEO

Date: February 8, 2005

By: /s/ Keith Berman

Keith Berman

Secretary and Treasurer/CFO

Attachment A

Form of Certification for Form 10-QSB/A

CERTIFICATIONS

I, Robert Cox, President of CareDecision Corporation (the registrant), certify that:

1.

I have reviewed this quarterly report on Form 10-QSB/A of CareDecision Corporation;

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: February 8, 2005

/s/ Robert Cox

Robert Cox

President and CEO

I, Keith Berman, Treasurer and Secretary of CareDecision Corporation (the registrant), certify that:

1.

I have reviewed this quarterly report on Form 10-QSB/A of CareDecision Corporation;

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):

b)

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: February 8, 2005

/s/ Keith Berman

Keith Berman

Secretary and Treasurer/CFO