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I TRACK INC
Form 10KSB
April 15, 2002

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

FORM 10-KSB

ANNUAL REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE
ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE
ACT OF 1934

Commission file number: 333-49388

I-TRACK, INC.
(Name of small business issuer in its charter)

NEVADA
(State or other jurisdiction of
incorporation or organization)

91-1966948
(I.R.S. Employer
Identification No.)

3031 COMMERCE DRIVE, BUILDING B, FORT GRATIOT, MICHIGAN 48059
(Address of principal executive offices) (Zip Code)

Issuer's telephone number: (810) 385-2061

Securities registered under Section 12(b) of the Exchange Act: NONE

Securities registered under Section 12(g) of the Exchange Act:
COMMON STOCK, \$0.001 PAR VALUE

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

Check if disclosure of delinquent filers in response to Item 405 of Regulation
S-B is not contained in this form, and no disclosure will be contained, to the
best of registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-KSB or any amendment to
this Form 10-KSB.

Issuer's revenues for its most recent fiscal year: \$74,359

Aggregate market value of the voting and non-voting stock held by
non-affiliates of the registrant
as of April 12, 2002: \$618,849

Number of shares outstanding of registrant's common stock, \$0.001 par value,
as of April 12, 2002: 23,696,900

Documents incorporated by reference: NONE

Transitional Small Business Disclosure Format (check one): Yes No X

PART I

FORWARD LOOKING STATEMENTS

Under the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), we caution readers regarding forward looking statements found in this report and in any other statement made by, or on our behalf, whether or not in future filings with the Securities and Exchange Commission. Forward looking statements are statements not based on historical information and which relate to future operations, strategies, financial results or other developments. Forward looking statements are necessarily based upon estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward looking statements made by or on our behalf. We disclaim any obligation to update forward looking statements.

ITEM 1. DESCRIPTION OF BUSINESS.

INTRODUCTION

Unless the context otherwise requires, the terms "we", "our" and "us" refers to i-Track, Inc.

BACKGROUND

We are a development stage company that was incorporated by AVL Information Systems Ltd. and its principal officers and directors. AVL Information Systems Ltd. is a Canadian public company that owns and licenses certain technology and automatic vehicle location systems. AVL Information Systems Ltd. has incurred significant operating losses over the past six fiscal years and has a working capital deficiency which casts doubt upon its ability to continue as a going concern. AVL Information Systems Ltd. and its principal officers and directors incorporated us in an effort to start anew and to take advantage of what they perceived to be the benefits of a United States publicly traded company. They believe that a U.S. publicly traded company will provide a level of credibility in the automatic vehicle location system industry, access to additional funding in the U.S. markets, and the ability for us to enter into strategic alliances for the development, manufacturing and sale of automatic vehicle location systems.

Effective September 30, 2001, we entered into a Worldwide Exclusive Distribution Agreement with AVL Information Systems Ltd., covering all of the products manufactured by AVL Information Systems Ltd., including the Spryte System(TM) and the Chaperone Personal Tracking Unit. These products are automatic vehicle location systems that integrate Global Positioning System technology, cellular-wireless communications and the Internet to enable companies to efficiently manage their mobile resources with location-relevant and time-sensitive information. These products are designed to enable customers to use the Internet to track the movement of their vehicles, employees, and goods and services. While there are several ways to transmit information from a

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vehicle to a central location, we believe these products provide significant value to customers by reducing their costs of doing business and increasing the productivity of their mobile resources.

INDUSTRY BACKGROUND

GLOBAL POSITIONING SYSTEM TECHNOLOGY. Most location-aware applications today rely upon Global Positioning System (GPS) technology. GPS technology is based on a system of more than 24 satellites that transmit longitude, latitude, altitude and time information to GPS receiving and processing devices anywhere in the world. Because of improvements in GPS receiver technology and reductions in the cost of GPS enabling components, there has been a proliferation of GPS devices for commercial applications. We believe the significant areas of growth include vehicle positioning and navigation, mobile computing devices, and wireless telephones and portable recreational

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receivers. Due to the worldwide automotive industry, we expect vehicle location and navigation to be one of the most promising areas of future deployment of GPS technology.

CELLULAR-WIRELESS COMMUNICATIONS. Rapid technology advances in wireless communications are enabling companies and individuals to efficiently manage their mobile resources with location-relevant and time-sensitive information. Wireless communications has grown due to declining usage costs, the proliferation of wireless telephones and mobile computing devices, expanding network coverage and the integration of enhanced features such as voice and text messaging. We believe that as global wireless coverage increases and broadband wireless transmission technologies are deployed, more users will be able to access more data over wireless networks, which will facilitate their access to information and business applications on the Internet.

INTERNET. The Internet has emerged as a global communications medium to deliver and share information and to conduct business electronically. The growth in the number of Internet users has led to the proliferation of information and services available on the Internet, including e-commerce, e-mail and other content. Businesses and individuals are using the Internet as a medium for managing business-critical functions, household items, finances, customer relationships and communication. We expect businesses and individuals to conduct an increasing amount of activity over the Internet.

THE SPRYTE SYSTEM(TM)

The Spryte System(TM) is an automatic vehicle location system owned by AVL Information Systems Ltd. The Spryte System(TM) is designed for the commercial carrier, and allows a fleet manager, at its base station, to simultaneously view the location, operational status and event-based indicators of each fleet vehicle on a digitized computer map display. The information is displayed in real-time. The platforms of the Spryte System(TM) include a menu of status indicators which represent the event-based nature of the system. The status or event-based indicators include a variety of vehicle conditions, such as the ignition, speed, sirens, emergency lights, excessive speed, collision, vehicle problems and duress. We believe that event-based indicators will allow a fleet manager to assemble and adapt its vehicle resources for optimum deployment as well as respond in a timely manner to delay and unforeseen situations.

The Spryte System(TM) has three software modules: the listener, mapping and server modules, which collaborate with one another to analyze and present the

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status of a vehicle to the fleet manager. The listener module collects data transmission from various vehicles in a fleet, interprets the information, and delivers the information to the server module. The mapping module consists of commercially available software that displays the most current maps of the fleet manager's area of activity, including roads, highways, street names and address locations. The mapping module also accommodates map edits and updates, as well as geographic analyses such as point-to-point distance and distance traveled. With the assistance of the listener and mapping modules, the server module displays, in real-time, the location of each vehicle on the map, together with the current status of the event-based indicators. The Spryte System(TM) also allows the customer to store and archive the information. This allows a fleet manager to analyze historical vehicle movement patterns to achieve more efficient results and/or to use the information to calculate performance metrics.

The Spryte System(TM) accommodates all three traditional mediums of communication from a vehicle to the base station: satellite, mobile radio and cellular. The Spryte System(TM) has the ability to switch automatically from one medium to another if the signal strength of a medium degrades. We believe the communication redundancy capability should provide added assurance for our potential customers.

We believe that the event-based approach will give customers an advantage over the conventional method of polling each vehicle periodically according to a routine schedule. We believe the conventional method is cost prohibitive, ineffective, and fails to report critical events. We believe the event-based communication uses airtime for data transmission more efficiently, and will accommodate four times more vehicles than the standard polling approach. Also, the event-based communication appears to have the ability to combine polling functions, if needed, with event-based monitoring to meet the demand of our potential customers.

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THE CHAPERONE PERSONAL TRACKING UNIT

The Chaperone Personal Tracking Unit is designed for consumers who do not require real-time tracking or event-based communication, but instead desire to know where a vehicle is at any point in time. The Chaperone Personal Tracking Unit utilizes similar technologies as the Spryte System(TM), but only identifies location-relevant information. We believe that the simplicity and lower price of the Chaperone Personal Tracking Unit will be ideal for a family or individual consumer.

The platform of the Chaperone Personal Tracking Unit is designed to be equipped with a GPS receiver as well as a Cellemetry modem. The Cellemetry communications network is a low-cost form of cellular communication that currently provides coverage for 98% of North America. Cellemetry provides low-cost cellular communication by using the overhead control channels of the cellular networks to convey short, data messages.

The Chaperone is 4 x 2 x 1.2 inches in size and contains a 12-channel GPS satellite receiver and a proprietary communications transceiver. The unit can be installed by placing on the dashboard of a vehicle and plugging it into the lighter socket. Alternatively, it can be installed to a vehicle hotwire. The GPS receiver and transceiver components acquire the location, speed, and direction of the unit being tracked. This information is then transmitted wirelessly and logged into the Online Vehicle Tracking system for further use. The user can locate the vehicle via the Internet by logging onto www.whereismycar.com. The

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Chaperone currently works in the United States, Canada, and parts of Mexico and South America.

Recent enhancements to the Chaperone include the implementation of an emergency button, geo-fencing, crash sensor, and power control management. We expect to have a monitoring center, operating 24 hours a day, 7 days a week, operational during the second quarter of this year.

A unique trailer tracking version of the Chaperone unit is under prototype development. This version would allow a company to track its trailers while they are hooked to the tractors and, more importantly, while they are sitting idle without a tractor power supply. We expect to release the prototype for testing to a fleet in April 2002 and announce results 30 days thereafter. The radio modem being used for testing has been supplied by Infea Corp.

WORLDWIDE EXCLUSIVE DISTRIBUTION AGREEMENT WITH AVL INFORMATION SYSTEMS LTD.

We do not own any proprietary or technological right to the Spryte or Chaperone products. Effective September 30, 2001, we entered into an exclusive worldwide distribution agreement with AVL Information Systems Ltd. Under the agreement, we are licensed to market and distribute all of the products manufactured by AVL Information Systems Ltd.

PROTECTION OF TECHNOLOGY

Under the distribution agreement, we are required to protect the proprietary information licensed to us. We will rely on a combination of trade secret, trademark and copyright laws, and nondisclosure and other contractual agreements. We intend to enter into nondisclosure agreements with our employees, consultants, distributors and corporate partners and limit access to and distribution of all proprietary information. It may be possible for a third party to misappropriate or infringe on the proprietary information licensed to us. Third parties may also independently discover or invent competing technologies or reverse engineer our trade secrets, software or other technology. In addition, foreign countries may treat the protection of proprietary rights differently from, and may not protect proprietary rights to the same extent as, the laws of the U.S. Therefore, the measures we take to protect the proprietary rights licensed to us may not be adequate.

KEY ALLIANCES AND RELATIONSHIPS

At this time, our only key alliance is with AVL Information Systems Ltd. AVL Information Systems Ltd. is an affiliate of our company and became our controlling shareholder by accepting shares of common stock in exchange for funds advanced. Some of our officers and directors are also officers and directors of AVL Information Systems

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Ltd. AVL Information Systems Ltd. and a common director have provided substantially all of our funding, and they are assisting us in discussions with third parties concerning possible strategic alliances.

At this time, we rely entirely upon our relationship with AVL Information Systems Ltd. and our distribution agreement with AVL Information Systems Ltd. Our dependence upon AVL Information Systems Ltd. has made us vulnerable to changes in its operations. AVL Information Systems Ltd. has incurred significant operating losses over the past six fiscal years and has a working capital deficiency which casts doubt upon its ability to continue as a going concern.

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The financial position of AVL Information Systems Ltd. and its prior operating history may have a negative effect on our intended operations. If we are unable to develop other key relationships, we may suffer material and adverse consequences.

We intend to establish relationships with a number of other companies to facilitate the implementation of the distribution agreement and to accelerate the marketing and sale of the Spryte and Chaperone products. We believe that establishing other strategic relationships will facilitate our business and provide access to emerging technologies and customers. We intend to establish relationships with existing companies engaged in the automatic vehicle location industry, wireless carriers, manufacturers, distributors, and Internet companies. One such company that we have signed as a distributor is Vision Wireless of Beaumont, Texas, a cell phone activation company. We cannot give you any assurance that we will be able to develop or maintain other strategic alliances.

RESEARCH AND DEVELOPMENT

At this time, we do not develop automatic vehicle location systems and related technology. We have not spent any money on research and development.

MANUFACTURING

At this time, we do not manufacture the Spryte or Chaperone products and related technology. AVL Information Systems is responsible for all manufacturing functions. AVL has recently reached an agreement with Numerex Corp. of Atlanta, Georgia, which owns the Cellemetry communications system used by the Chaperone units. Since Numerex has an interest in having Chaperone units sold, it agreed to advance the funds necessary for manufacturing by Swemco Inc. of New Jersey, with repayment to come after sale of the units. After delivery of the units from Swemco, AVL programs and tests the units.

SALES AND MARKETING

We will market the Spryte and Chaperone products in the U.S. and internationally to shipping and delivery companies, other fleet operators, rental car companies, railroad and transportation companies, government agencies and municipalities, and private motor vehicle owners. We anticipate using marketing activities to establish and build our name recognition. We intend to use a variety of target marketing communications techniques to achieve this, such as public relations programs, advertising, industry and consumer promotions, Internet advertising, and co-marketing and co-branding with wireless carriers. We anticipate achieving our marketing objective by establishing a network of strategic partners. We may also develop a direct sales force to call on potential customers with large fleets and work with wireless carrier partners and independent sales agents to increase our customer base.

We estimate that Vision Wireless has purchased 500 units through April 15, 2002. We are trying to obtain other distributors.

COMPETITION

We compete with companies that offer the ability to obtain location-relevant information about their mobile resources. We also compete with alternative means of communication between vehicles and their managers or owners, including wireless telephones, two-way radios, and pagers. We expect competition to increase.

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Within each of our markets, we face competition from public and private companies as well as our potential customers' in-house design efforts. OmniTRACS is a service from Qualcomm that uses satellite communications technology to manage fleets of trucks that travel extended distances between urban areas, referred to as long-haul trucking. Other potential competitors include wireless Internet companies, such as Aether Systems, Phone.com and Research in Motion, companies working on emergency working on emergency-911 solutions, such as TruePosition, companies with solutions that integrate locations, wireless communications, and call centers, such as General Motors, and companies that provide wireless, location-relevant applications such as SignalSoft and At Road Inc.

We compete primarily on the basis of price, ease of use, functionality, quality and geographic coverage. Due to our small size, it can be assumed that most if not all of our competitors have significantly greater financial, technical, marketing and other competitive resources. Our competitors may be able to respond more quickly to new or emerging technologies and changes in customer requirements than we can. In addition, our current and potential competitors may bundle their products in a manner that may discourage users from purchasing our products. Also, our competitors and potential competitors may have greater name recognition and more extensive customer bases that could be leveraged, for example, to position themselves as being more experienced, having better products, and being more knowledgeable than us. To compete, we may be forced to offer lower prices and narrow our marketing focus, resulting in reduced revenues, if any.

EMPLOYEES

We have no employees at this time. AVL Information Systems provides us with manpower through a Management Services Agreement. We intend to implement the distribution agreement with AVL Information Systems Ltd. through the services of our officers and directors, and by retaining consultants and independent contractors. We intend to create relationships and retain consultants and contractors with established connections in the telecommunication and application service provider industries. We foresee that compensation would be commission based. Depending upon the market acceptance of the Spryte and Chaperone products, we may hire employees in the foreseeable future.

ITEM 2. DESCRIPTION OF PROPERTY

We do not own properties and at this time have no agreements to acquire any properties.

Our corporate headquarters are located in Fort Gratiot, Michigan, where we occupy these offices pursuant to an agreement with our affiliate, AVL Information Systems Ltd. We believe that our current facilities are adequate to meet our needs at this time. See Item 12. Certain Relationships and Related Transactions.

ITEM 3. LEGAL PROCEEDINGS.

None.

ITEM 4. SUBMISSION OF MATTER TO A VOTE OF SECURITY HOLDERS.

None.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our common stock was approved for trading on the over-the-counter bulletin board ("OTCBB") under the symbol "ITRK" on August 7, 2001. The following table sets forth the range of high and low closing bid quotations of our common stock for each fiscal quarter since August 2001:

2001 FISCAL YEAR	BID OR TRADE PRICES	
-----	HIGH	LOW
	----	---
Quarter Ending 09/30/01.....	\$1.00	\$1.00
Quarter Ending 12/31/01.....	\$1.50	\$0.60

As of December 31, 2001, there were 45 record holders of our common stock.

On April 12, 2002, the closing price for our common stock on the OTCBB was \$0.21.

The above quotations reflect inter-dealer prices, without retail mark-up, mark-down, or commission and may not necessarily represent actual transactions.

During the last two fiscal years, no cash dividends have been declared on our common stock and we do not anticipate that dividends will be paid in the foreseeable future.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

SELECTED FINANCIAL DATA

Our selected financial data for the year ended December 31, 2001 shown below is derived from our consolidated audited financial statements. The financial data derived from the statements should be read in conjunction with our consolidated financial statements and the notes included elsewhere in this report.

BALANCE SHEET DATA:	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,
	2001	2000	1999

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Current assets.....	\$ 31,446	\$ 4,479	\$ 471
Total assets.....	\$ 1,321,207	\$ 4,479	\$ 471
Current liabilities.....	\$ 3,779	\$ 20,895	\$ 3,500
Stockholders' equity (deficiency).....	\$ 1,317,428	\$ (16,416)	\$ (3,029)
Working capital (deficiency).....	\$ 27,667	\$ (16,416)	\$ (3,029)

STATEMENT OF OPERATIONS DATA:

	YEAR ENDED DECEMBER 31, 2001	YEAR ENDED DECEMBER 31, 2000	MARCH 8, 1999 THROUGH DECEMBER 31, 1999

Revenues.....	\$ 74,359	\$ --	\$ --
Net loss.....	\$ (16,251)	\$ (32,087)	\$ (3,029)
Net loss per share.....	\$ (0.00)	\$ (0.00)	\$ (0.00)

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OVERVIEW

We were incorporated in the state of Nevada on March 8, 1999 by AVL Information Systems Ltd. and its principal officer and directors. AVL Information Systems Ltd. is a Canadian public company that owns and licenses certain technology and automatic vehicle location systems. Effective September 30, 2001, we entered into an exclusive worldwide distribution agreement with AVL Information Systems Ltd. Under the agreement, we are licensed to market and distribute all of the products manufactured by AVL Information Systems Ltd.

We are in the development stage and have generated minimal revenues. We have a deficit accumulated during the development stage of \$51,367 as of December 31, 2001. We have suffered losses from operations and require additional financing. Moreover, we are dependent upon AVL Information Systems Ltd. and its subsidiary to provide all of our products and management services. Because of the uncertainty of AVL Information Systems Ltd. to continue as a going concern to supply these products and services, and to generate sufficient cash flow to repay the \$1,289,761 of notes receivable, there is substantial doubt about our ability to continue as a going concern. While we are investigating the acquisition of the U.S. subsidiary of AVL Information Systems in partial satisfaction of the debt, we cannot assure you that this acquisition will occur or that it will eliminate this doubt about our ability to continue.

RESULTS OF OPERATIONS

We generated our first revenues of \$74,359 during fiscal 2001. Cost of goods sold, as a percentage of revenues, was 85.2%. General and administrative expenses increased slightly from \$32,087 in 2000 to \$34,164 in 2001, an increase of 6.5%. In addition, we incurred management fees of \$7,500 in 2001 that were not incurred in 2000. As a result, we incurred a net loss of \$16,251 for the year ended December 31, 2001, as compared to \$32,087 for the year ended December 31, 2000.

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LIQUIDITY AND FINANCIAL CONDITION

For the year ended December 31, 2001, we used cash of \$42,141 in our operations, which was offset by net cash provided by financing activities of \$40,334. Our public offering and the exercise of warrants resulted in net proceeds of \$250,095. In comparison, during fiscal 2000, we used cash of \$29,992 in operations, which was offset by \$34,000 provided by financing activities.

At December 31, 2001, we had cash of \$2,672, and working capital of \$31,446. However, \$14,415 of our current assets at December 31, 2001 was accrued interest receivable from related parties. As described in Note 4 of the Notes to Financial Statements, \$1,289,761 is owed by AVL Information Systems Ltd. and its subsidiary. Each of these entities received a going concern opinion on the audit of its financial statements.

We loaned funds to AVL Information Systems and its subsidiary to enable those entities to get the Chaperone units to market more quickly. Through December 31, 2001, we had orders for approximately 5,000 units of the Chaperone unit, and through March 31, 2002, we had orders for approximately 9,500 units. We estimate sales of approximately \$175,000 for the quarter ended March 31, 2002. However, sales at these levels are not sufficient to cover our operating expenses or to engage in the type of marketing campaign that we need to pursue. We are not expecting repayment from AVL during the current fiscal year. Accordingly, we will have to pursue funding from external sources through a line of credit arrangement and/or the sale of debt and/or equity securities. We cannot assure you that we will be successful in these pursuits.

PLAN OF OPERATION

At this time, we intend to establish relationships with a number of other companies to accelerate the implementation of the distribution agreement and the sale of the Spryte and Chaperone Systems(TM). We believe that our status as a U.S. publicly traded company will assist us in establishing strategic alliances because of our perceived level of credibility and access to capital in the U.S. markets. We intend to establish relationships with existing companies engaged in the automatic vehicle location industry, wireless carriers, manufacturers, distributors, and Internet

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companies. We intend to create relationships and to retain consultants and contractors with established connections in the telecommunication and application service provider industries. We foresee that the compensation would be commission based. Depending upon the market acceptance of the Spryte and Chaperone Systems(TM), we may hire employees in the foreseeable future.

We believe that establishing a network of alliances, while not a small task, can be accomplished in a shorter period of time and at less cost than building a comparable direct sales infrastructure. It is our priority to establish a channel partner network in the U.S. and Canada, and recruit international channel partners as opportunities present themselves.

We expect to generate revenues by selling the Spryte and Chaperone Systems(TM) at cost plus margin. We believe the amount of margin will vary depending on the time, expense, and size of sale.

We do not expect to purchase any significant equipment during the next twelve months, nor do we expect to hire a significant number of employees during that time period. We expect to finance our objectives through the proceeds of this

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offering.

ITEM 7. FINANCIAL STATEMENTS.

Please refer to the pages beginning with F-1.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Effective October 5, 2001, we changed our independent auditors from Stark Winter Schenkein & Co., LLP, f/k/a Stark Tinter, & Associates, LLC, Denver, Colorado, to Edward, Melton, Ellis, Koshiw & Company, P.C., Troy, Michigan. The change was not related to the competence, practices and procedures of Stark Winter Schenkein & Co., LLP.

We believe that it will be more convenient and cost effective for us to retain auditors with offices located in the State of Michigan. Stark Winter Schenkein & Co, LLP does not maintain offices in the State of Michigan, and we identified Edward, Melton, Ellis, Koshiw & Company, P.C. as independent auditors with offices in Troy and Ann Arbor, Michigan. Our board of directors has approved the engagement of Edward, Melton, Ellis, Koshiw & Company, P.C.

Stark Winter Schenkein & Co., LLP audited our financial statements for the period March 9, 1999 (inception) to December 31, 1999 and the year ended December 31, 2000. Stark Winter Schenkein & Co., LLP's reports for such periods did not contain an adverse opinion or disclaimer of opinion, nor were the reports qualified or modified as to uncertainty, audit scope or accounting principles, except for our ability to continue as a going concern. There were no disagreements with Stark Winter Schenkein & Co., LLP on any matter of accounting principles or practices, financial statements disclosure, or auditing scope procedure, which disagreements, if not resolved to the satisfaction of Stark Winter Schenkein & Co., LLP, would have caused such firm to make reference to the subject matter of the disagreements in connection with its report on our financial statements. In addition, there were no such events as described under Item 304 of Regulation S-B during the period March 9, 1999 (inception) to December 31, 1999 and the year ended December 31, 2000, or through and to October 5, 2001.

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PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

DIRECTORS AND EXECUTIVE OFFICERS

Our officers and directors are as follows:

NAME	AGE	POSITION
Barbara Castanon	48	President, Vice President of Sales and Marketing, and Director since inception.
Peter W. Fisher	54	Secretary, Treasurer and Chairman of the

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Board of Directors since April 2000.

Bernd Luwe	53	Vice President of Operations and Chief Technology Officer since April 2000.
Thomas O. Cook	70	Director since January 2002

The term of office of each director ends at the next annual meeting of our stockholders or when such director's successor is elected and qualifies. The term of office of each officer ends at the next annual meeting of our board of directors, expected to take place immediately after the next annual meeting of stockholders, or when such officer's successor is elected and qualifies. Since our inception, we have not had an annual meeting of our stockholders.

BARBARA CASTANON, DIRECTOR, PRESIDENT, AND VICE PRESIDENT OF SALES AND MARKETING. Since 1995, Ms. Castanon has been the director of business development and program manager for international programs/advanced analysis at GRC International, Inc., an information service provider located in Vienna, Virginia. In this capacity, Ms. Castanon is responsible for business development. From 1993 to 1995, she was a private consultant in the fields of international finance and business development. From 1990 to 1993, Ms. Castanon was a manager in the international finance and marketing division at Hughes Network Systems in Germantown, Maryland. During this time, she was also a member of the board of directors for Sunwise Energy Systems, Inc., in Chicago, Illinois.

From 1988 to 1990, Ms. Castanon was the senior marketing manager for Amoco Technologies, Solarex Corp., the solar energy research division in Rockville, Maryland. During 1985 to 1988, she was the corporate finance, risk and cash manager for Atlantic Research Corp., an information technology service provider located in Alexandria, Virginia. From 1980 to 1985, Ms. Castanon was a manager in the leasing division of Moriah Data Corp., a computer hardware and software leasing company located in Chantilly, Virginia. Ms. Castanon received a Bachelor of Science in Business, with emphasis in finance and marketing from the University of Maryland, College Park, Maryland.

PETER W. FISHER, DIRECTOR, SECRETARY AND TREASURER. Since 1992, Mr. Fisher has been the chairman and chief executive officer of AVL Information Systems Ltd., Ontario, Canada, a Canadian public company listed over-the-counter in Toronto. AVL Information Systems Ltd. develops and markets automatic vehicle location systems. From 1987 to 1992, Mr. Fisher was the president and chief executive officer of Tyrae Resources, Sarnia, Ontario, a junior capital pool corporation listed on the Alberta Stock Exchange. In that capacity, Mr. Fisher assisted in the development of stolen vehicle recovery technology. From 1982 to 1987, he was the president of Par Sar Investment Limited, Sarnia, Ontario, a Canadian private company which provided consulting services relating to funding and structuring of private and public companies. From 1979 to 1982, Mr. Fisher was a registered representative with Richardson Securities of Canada, and from 1974 to 1979, he was an account manager and registered representative for Midland Doherty Inc. of Canada, in Sarnia, Ontario.

In 1970, Mr. Fisher received a Bachelor of Arts with a major in psychology and a minor in mathematics from Simon Fraser University, Burnaby, British Columbia. He subsequently completed several Canadian securities courses and in 1980, he became a Fellow of the Canadian Securities Institute. Mr. Fisher is also a Registered Options Principal and a Registered Commodity Principal.

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BERND LUWE, VICE PRESIDENT OF OPERATIONS AND CHIEF TECHNOLOGY OFFICER. Since June 2000, Mr. Luwe has been the operations manager for AVL Information Systems Ltd. From 1996 to 2000, Mr. Luwe was the operations manager for Vasogen Inc., Toronto, Canada, a public company listed on the American Stock Exchange and the Toronto Stock Exchange. Vasogen, Inc. is a medical device manufacturer that focuses on sterile disposables. From 1990 to 1995, he was the vice president of engineering of Surface Mount Technology Centre, Ontario, Canada, a public company that specializes in the assembly of surface mounted components for computer circuit boards. From 1981 to 1989, Mr. Luwe was the founder, president and chief executive officer of Microart Services Inc., Ontario, Canada, a company engaged in the business of printed circuit design.

From 1975 to 1980, Mr. Luwe was a senior printed circuit designer with Motorola Canada, in Toronto, Ontario. From 1973 to 1975, he was a mechanical product designer for ITT Cannon, Whitby, Ontario. From 1968 to 1973, Mr. Luwe was a mechanical designer and hybrid/printed circuit designer for Collins Radio in Rockwell, New Mexico. Mr. Luwe has attended several management courses at Centennial College, in Toronto, Ontario, but did not receive a degree.

THOMAS O. COOK, DIRECTOR. Mr. Cook has been the vice president and a director of Trillium Industries, St. Louis, Missouri, since January 1998. Trillium manufactures electronic components. From January 1995 to September 1996, he was the chairman and chief executive officer of 1st Technology, Louisville, Kentucky, a company engaged in electronic consulting. Mr. Cook has held senior management positions with Motorola (1992-94 as vice president and general manager of field service), Timeplex/Unisys (1987-92 as vice president and general manager of global service), SCI Systems (1984-87 as senior vice president for worldwide marketing), Data General (1977-83 as vice president and general manager of worldwide service), and IBM Corporation (1956-77 as a member of senior management in field engineering, manufacturing, and world trade). He received his Masters degree in Business Administration from Pepperdine University in 1979.

CONFLICTS OF INTEREST

Our officers and directors are associated with other firms involved in a range of business activities. Consequently, there are potential inherent conflicts of interest in their acting as our officers and directors. Insofar as our officers and directors are engaged in other business activities, we anticipate they will devote only a minor amount of time to our affairs.

Our officers and directors are now and may in the future become shareholders, officers or directors of other companies which may be formed for the purpose of engaging in business activities similar to those conducted by us. Accordingly, additional direct conflicts of interest may arise in the future with respect to such individuals acting on our behalf or other entities. Moreover, additional conflicts of interest may arise with respect to opportunities which come to the attention of such individuals in the performance of their duties or otherwise. We do not currently have a right of first refusal pertaining to opportunities that come to our attention insofar as such opportunities may relate to our business operations.

Our officers and directors are subject to the restriction that all opportunities contemplated by us which come to their attention, either in the performance of their duties or in any other manner, will be considered opportunities of, and be made available to us and the companies that they are affiliated with on an equal basis. A breach of this requirement will be a breach of the fiduciary duties of the officer or director. If we or the companies in which the officers and directors are affiliated with both desire to take advantage of an opportunity, then said officers and directors would abstain from negotiating and voting upon the opportunity. However, all directors may still

individually take advantage of opportunities if we should decline to do so. Except as set forth above, we have not adopted any other conflict of interest policy with respect to such transactions.

We do not have any standing audit, nominating, or compensation committees of our board of directors.

ITEM 10. EXECUTIVE COMPENSATION.

The following table sets forth information the remuneration of our chief executive officer for the last three completed fiscal years.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION			LONG TERM COMPENSATION		
		SALARY (\$)	BONUS (\$)	OTHER ANNUAL COMPENSA- TION (\$)	AWARDS		
					RESTRICTED STOCK AWARD (\$)	SECURITIES UNDERLYING OPTIONS/ SARS (#)	PA P
Barbara Castanon	2001	-0-	-0-	-0-	-0-	-0-	
	2000	-0-	-0-	-0-	100(1)		