QUINTEK TECHNOLOGIES INC
Form 10QSB
May 19, 2005

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

FORM 10-QSB

Check One
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2005

or

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

Commission File Number 28541

QUINTEK TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

California	77-0505346
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

17951 Lyons Circle
Huntington Beach, CA 92647
(Address of principal executive offices)

Registrant's telephone number: 714-848-7741

Check whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

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

Check whether the registrant has filed all documents and reports required to be filed by Section 12, 13, or 15(d) of the Securities Exchange Act of 1934 after the distribution of securities under a plan confirmed by a court. Yes [ ] No [ ]

APPLICABLE ONLY TO CORPORATE ISSUERS

At May 12, 2005, a total of 98,052,116 shares of registrant's Common Stock were outstanding.

Transitional Small Business Disclosure Format: Yes [ ] No [X]

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

QUINTEK TECHNOLOGIES, INC.
BALANCE SHEET
March 31, 2005
(Unaudited)

ASSETS

Current assets:	
Cash and cash equivalents	$ 102,671
Restricted cash	251,323
Accounts receivable, net of allowance for doubtful accounts of $7,929	200,541
Employee receivable, net	8,189
Investment in marketable securities	156,718
Prepaid expenses	12,593
Total current assets	732,036
Property and equipment, net	414,114
Other assets:	
Deposits	57,424
Other assets	883
	58,307

Total assets	$ 1,204,456

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:	
Accounts payable and accrued expenses	$ 643,464
Note payable	200,000
Factoring payable	136,722
Payroll and payroll taxes payable	110,686
Payroll taxes assumed in merger	96,661
Advances from lenders	445,000
Current portion of long-term debt	121,864
Convertible bonds	62,495
Current portion of convertible debentures	200,000
Convertible notes	91,750
Deferred revenue	83,522
Dividend payable	12,511
Total current liabilities	2,204,675
Long-term debt	200,563
Convertible debentures	284,500
Commitments and contingencies	--
Stockholders' deficit:	
Preferred stock, convertible, no par value, 50,000,000 shares authorized, 3,794,150 shares issued and outstanding	678,708
Common stock, $0.01 par value, 200,000,000 shares authorized, 94,594,716 shares issued and outstanding	945,947
Additional paid-in capital	28,455,899
Stock Subscriptions Receivable	(964,466)
Beneficial Conversion Feature	(857,778)
Unamortized consulting fees	(9,120)
Investments held in escrow	(156,718)
Accumulated deficit	(29,577,755)
Total stockholders' deficit	(1,485,282)
Total liabilities and stockholders' deficit	$ 1,204,456

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

QUINTEK TECHNOLOGIES, INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	Three month periods ended March 31,		Nine mo
	2005	2004	2005
Net revenue	$ 408,047	$ 46,775	$ 844,

Cost of revenue	272,650	38,300	628,
Gross margin	135,397	8,475	215,
Operating expenses:			
Selling, general and administrative	444,444	203,312	1,969,
Permanent decline on value of marketable securities	--	--	2,346,
Stock-based compensation	--	--	1,071,
Total operating expenses	444,444	203,312	5,387,
Loss from operations	(309,047)	(194,837)	(5,172,
Non-operating income (expense):			
Investment Income	--	16	-
Other income	4,129	(282)	10,
Beneficial conversion feature	(107,222)	--	(135,
Loss on conversion of debt	(432,850)	--	(1,100,
Interest expense	(40,429)	(5,696)	(105,
Total non-operating income (expense)	(576,372)	(5,962)	(1,331,
Loss before provision for income taxes	(885,419)	(200,799)	(6,503,
Provision for income taxes	--	800	
Net loss	(885,419)	(201,599)	(6,504,
Dividend requirement for preferred stock	4,632	--	12,
Net loss applicable to common shareholders	(890,051)	(201,599)	(6,516,
Other comprehensive (loss)/gain:	--	--	-
Comprehensive loss	$ (890,051)	$ (201,599)	$ (6,516,
Basic and diluted net loss per share	$ (0.01)	$ (0.004)	$ (0
Basic and diluted net loss per share for dividend for preferred stock	0.00	0.00	0
Basic and diluted net loss per share applicable to common shareholders	$ (0.01)	$ (0.00)	$ (0
Basic and diluted weighted average shares outstanding	75,264,602	48,749,994	72,214,

QUINTEK TECHNOLOGIES, INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

Nine months periods ended

	March 31, 2005	2004
OPERATING ACTIVITIES		
Net loss	$(6,516,689)	$ (568,19
Adjustments to reconcile net loss to net cash used in operations:		
Issuance of shares for consulting services	367,040	15,00
Loss on conversion of debt	1,100,420	--
Issuance of shares for compensation	704,752	--
Permanent decline on value of marketable securities	2,346,564	--
Beneficial conversion feature expense	135,519	--
Stock options granted	1,500	--
Warrants granted to consultant	594,850	41,57
Depreciation and amortization	102,656	35,75
Liabilities in process of conversion	--	1,96
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	(171,805)	66,09
(Increase) in inventory	--	(8,66
(Increase) decrease in other current assets	(8,189)	7,72
(Increase) in prepaid expenses	(7,329)	(40,99
(Increase) in investments	(156,718)	(1
Increase in accounts payable	204,638	133,91
Increase (decrease) in payroll payables	(76,452)	47,44
Increase (decrease) in unearned revenue	(3,518.00)	59,1
Increase in dividend payable	12,511	--
Increase (decrease) in other liabilities	217,837	(164,85
Net cash used in operating activities	(1,152,413)	(374,10
INVESTING ACTIVITIES		
Acquisition of equipment	(375,287)	(13,41
Increase in employer receivables	--	3,59
Net cash used in investing activities	(375,287)	(9,81
FINANCING ACTIVITIES		
Factoring payable	(93,492)	(126,89
Proceeds from notes payable - stockholders	--	211,75
Proceeds from line of credit	200,000	--
Proceeds from issuance of debentures	484,500	--
Payments of convertible bonds	--	(89,20
Proceeds from convertible notes	170,000	300,00
Prepayments for warrants to be issued for note conversion	600,000	--
Proceeds from issuance of common stock and warrants	279,968	109,00
Proceeds (payments) of notes payable	(14,657)	8,22
Net cash provided by financing activities	1,626,319	412,89
Net increase in cash and cash equivalents	98,619	28,97
Cash and cash equivalents, beginning balance	4,052	21,16
Cash and cash equivalents, ending balance	$ 102,671	$ 50,13

QUINTEK TECHNOLOGIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
(Unaudited)

1. Description of business

The Company was originally incorporated under the laws of the State of California on April 16, 1993, as Quintek Electronics, Inc. On January 14, 1999, the Company merged with Pacific Diagnostic Technologies, Inc. in a business combination accounted for as a purchase. The acquisition took place under a plan of reorganization. Quintek Electronics, Inc. ("QEI") became public when it was acquired by Pacific Diagnostic Technologies, Inc. ("PDX") through a reverse merger and Chapter 11 Plan of Reorganization. Under the plan, all assets of QEI were sold to PDX, all PDX management resigned once the Plan was confirmed, and QEI's management and operating plan were adopted by the new operating entity. Shortly after the confirmation of the plan, the name of the reorganized debtor was changed to Quintek Technologies, Inc. ("QTI"). QTI assumed the assets, liabilities, technology and public position of both QEI and PDX. At the time of the merger, PDX was a non operating public entity and QTI has no intention of carrying on the former operations of PDX.

The plan was structured to compensate all related parties with common stock and units. Each unit consisted of one share of common stock, one Class A warrant, one Class B warrant, one Class C warrant and one Class D warrant. PDX shareholders received unrestricted units at a ratio of one QTI unit for 25 shares of PDX stock, resulting in a distribution of 310,535 units. PDX creditors received unrestricted QTI units at a ratio of one QTI unit for $3 of previous PDX debt, resulting in a net distribution of 885,549 units. Chapter 11 administrators and consultants received approximately 610,000 unrestricted QTI shares, attorneys received 220,000 unrestricted units and market-makers received 200,000 unrestricted units. QEI shareholders received 11,096,167 shares of restricted common stock.

On February 24, 2000, the Company acquired all of the outstanding common stock of Juniper Acquisition Corporation ("Juniper"). For accounting purposes, the acquisition has been treated as a capitalization of the Company with the Company as the acquirer (reverse acquisition). The historical financial statements prior to February 24, 2000 are those of the Company.

Quintek provides business process outsourcing services to Fortune 500, Russell 2000 companies and public sector organizations. The Company's business process outsourcing services range from the digitizing, indexing, and uploading of source documents through simple customer-specific, rules-based decision making. The Company sells hardware, software and services for printing large-format drawings such as blueprints and computer-aided design (CAD) files directly to the microfilm format off aperture cards. The Company is the only manufacturer of a patented, chemical-free desktop microfilm printer for aperture cards.

2. Basis of Presentation

The accompanying unaudited financial statements of Quintek have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission for the presentation of interim financial information, but do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying unaudited financial statements of the Company include all adjustments (consisting only of normal recurring adjustments) considered necessary to present fairly its financial position as of March 31, 2005, the results of operations for the nine months ended March 31, 2005 and 2004, and cash flows for the nine months ended March 31, 2005 and 2004. The operating results for the nine month period ended March 31, 2005 are not necessarily indicative of the results that may be expected for the year ending

June 30, 2005. The audited financial statements for the year ended June 30, 2004 were filed on October 1, 2004 with the Securities and Exchange Commission and is hereby referenced. The information included in this Form 10-QSB should be read in conjunction with Management's Discussion and Analysis and financial statements and notes thereto included in the Company's 2004 Form 10-KSB.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Research and development

Research and development costs are charged to operations when incurred and are included in operating expenses. The amount charged to operations for the nine months ended March 31, 2005 and 2004 was $52,694 and $5,022, respectively.

Marketable securities and realized loss due to decline in market value

On July 29, 2004, the Company entered into an Agreement with Langley Park Investments Plc, a London Investment Company to issue 14,000,000 shares of the Company's common stock to Langley in return for 1,145,595 shares of Langley. Fifty percent of Langley shares issued to the Company under this agreement is to be held in escrow for two years. The Company recorded a realized loss of $2,346,564 due to permanent decline based on the market value of shares on March 31, 2005 which is reflected as a realized loss on marketable securities in the operating expenses in the accompanying financials statements. At the end of two years if the market price for the Company's common stock is at or greater than the Initial Closing Price, the escrow agent will release the full amount. In the event that the market price for the Company's common stock is less than the Initial Closing Price the amount released will be adjusted.

Langley attained listing with the United Kingdom Listing Authority. The Company's shares are to be held by Langley for a period of at least two years. Langley shares issued to the Company are to be free trading.

The Company's marketable securities (Langley's shares) are classified as available-for-sale and, as such, are carried at fair value. Securities classified as available-for-sale may be sold in response to changes in interest rates, liquidity needs, and for other purposes. The investment in marketable securities represents less than twenty percent (20%) of the outstanding common stock and stock equivalents of the investee. As such, the investment is accounted for in accordance with the provisions of SFAS No. 115.

Unrealized holding gains and losses for marketable securities are excluded from earnings and reported as a separate component of stockholder's equity. Realized gains and losses for securities classified as available-for-sale are reported in earnings based upon the adjusted cost of the specific security sold. On March 31, 2005, the investments have been recorded as shown below based upon the fair value of the marketable securities.

Marketable securities classified as available for sale consisted of the following as of March 31, 2005:

Investee Name (Symbol)	Cost at March 31, 2005	Market Value at March 31, 2005	Accum. Unrealized Gain (Loss)	Number Shares He March 31,
Marketable securities:				
Langley Park Investments, PLC	$ 1,330,000	$ 156,718	$ (1,173,282)	572,7
Investments held in escrow:				
Langley Park Investments, PLC	$ 1,330,000	$ 156,718	$ (1,173,282)	572,7
Totals	$ 2,660,000	$ 313,436	$ (2,346,564)	1,145,5

Stock-based compensation

SFAS No. 123 prescribes accounting and reporting standards for all stock-based compensation plans, including employee stock options, restricted stock, employee stock purchase plans and stock appreciation rights. SFAS No. 123 requires compensation expense to be recorded (i) using the new fair value method or (ii) using the existing accounting rules prescribed by Accounting Principles Board Opinion No. 25, "Accounting for stock issued to employees" (APB 25) and related interpretations with pro-forma disclosure of what net income and earnings per share would have been had the Company adopted the new fair value method. The Company has chosen to account for stock-based compensation using Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and has adopted the disclosure only provisions of SFAS 123. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the amount an employee is required to pay for the stock.

The Company's board of directors authorized a stock award and long-term incentive plan which includes stock appreciation rights and certain stock incentive awards. The plan was approved by the shareholders as of June 30, 2004.

Basic and diluted net loss per share

Net loss per share is calculated in accordance with the Statement of financial accounting standards No. 128 (SFAS No. 128), "Earnings per share". SFAS No. 128 superseded Accounting Principles Board Opinion No.15 (APB 15). Net loss per share for all periods presented has been restated to reflect the adoption of SFAS No. 128. Basic net loss per share is based upon the weighted average number of common shares outstanding. Diluted net loss per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period.

Deferred revenue

Deferred revenue represents amounts received from the customers against future sales of goods or services. Deferred revenue amounted to $ 83,522 as of March 31, 2005.

Issuance of shares for service

The Company accounts for the issuance of equity instruments to acquire goods and services based on the fair value of the goods and services or the fair value of the equity instrument at the time of issuance, whichever is more reliably measurable.

Reporting segments

Statement of financial accounting standards No. 131, Disclosures about segments of an enterprise and related information (SFAS No. 131), which superseded statement of financial accounting standards No. 14, Financial reporting for segments of a business enterprise, establishes standards for the way that public enterprises report information about operating segments in annual financial statements and requires reporting of selected information about operating segments in interim financial statements regarding products and services, geographic areas and major customers. SFAS No. 131 defines operating segments as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performances. Currently, SFAS 131 has no effect on the Company's financial statements as substantially all of the Company's operations are conducted in one industry segment.

Reclassifications

Certain comparative amounts have been reclassified to conform with the current period presentation.

Recent Pronouncements

In December 2002, the FASB issued SFAS No. 148 "Accounting for Stock Based Compensation-Transition and Disclosure". SFAS No. 148 amends SFAS No. 123, "Accounting for Stock Based Compensation", to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this Statement amends the disclosure requirements of Statement 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used, on reported results. The Statement is effective for the Companies' interim reporting period ending January 31, 2003.

In compliance with FAS No. 148, the Company has elected to continue to follow the intrinsic value method in accounting for its stock-based employee compensation plan as defined by APB No. 25 and has made the applicable disclosures below.

Had the Company determined employee stock based compensation cost based on a fair value model at the grant date for its stock options under SFAS 123, the Company's net earnings per share would have been adjusted to the pro forma amounts for the nine month period ended March 31, 2004 and 2003, as follows ($ in thousands, except per share amounts):

	Period ended March 31, 2005	2004
Net loss - as reported	$ (6,517)	$ (568)
Stock-Based employee compensation		

expense included in reported net income, net of tax	--	--
Total stock-based employee compensation expense determined under fair-value-based method for all rewards, net of tax	(362)	(15)
Pro forma net loss	$ (6,879)	$ (583)
(Loss) per share:		
Basic, as reported	$ (0.09)	$ (0.01)
Diluted, as reported	$ (0.09)	$ (0.01)
Basic, pro forma	$ (0.10)	$ (0.01)
Diluted, pro forma	$ (0.10)	$ (0.01)

In December 2004, the FASB issued FASB Statement No. 123R, "Share-Based Payment, an Amendment of FASB Statement No. 123" ("FAS No. 123R"). FAS No. 123R requires companies to recognize in the statement of operations the grant date fair value of stock options and other equity-based compensation issued to employees. FAS No. 123R is effective beginning in the Company's second quarter of fiscal 2006. The Company believes that the adoption of this standard will have no material impact on its financial statements.

In December 2004, the FASB issued SFAS Statement No. 153, "Exchanges of Nonmonetary Assets." The Statement is an amendment of APB Opinion No. 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. The Company believes that the adoption of this standard will have no material impact on its financial statements.

In March 2004, the Emerging Issues Task Force ("EITF") reached a consensus on Issue No. 03-1, "The Meaning of Other-Than-Temporary Impairment and its Application to Certain Investments." The EITF reached a consensus about the criteria that should be used to determine when an investment is considered impaired, whether that impairment is other-than-temporary, and the measurement of an impairment loss and how that criteria should be applied to investments accounted for under SFAS No. 115, "Accounting in Certain Investments in Debt and Equity Securities." EITF 03-01 also included accounting considerations subsequent to the recognition of an other-than-temporary impairment and requires certain disclosures about unrealized losses that have not been recognized as other-than-temporary impairments. Additionally, EITF 03-01 includes new disclosure requirements for investments that are deemed to be temporarily impaired. In September 2004, the Financial Accounting Standards Board (FASB) delayed the accounting provisions of EITF 03-01; however the disclosure requirements remain effective for annual reports ending after June 15, 2004. The Company will evaluate the impact of EITF 03-01 once final guidance is issued.

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3. PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2005, consists of the following:

Scanning Equipment	$ 326,140
Computer and office equipment	115,262
Other depreciable assets	102,880
Software	145,349
Furniture and fixture	35,589

	725,220
Accumulated depreciation	(311,106)
	$ 414,114

4. RESTRICTED CASH

The Company entered into a consulting agreement with GMAC under which they are required to provide at their own cost a performance bond. Such bond shall be solely for the protection of the client. The initial bond was drafted in the amount of $250,000 and will cover 12 months starting October 1, 2004.

The Company opened a certificate of deposit for one year for $ 250,000. The Company has accrued interest income of $ 1,323 through March 31, 2005. The Company has recorded $ 251,323 as restricted cash in the accompanying balance sheet as of March 31, 2005.

5. EMPLOYEE RECEIVABLES

0Notes receivable from employees, unsecured, due on June 30, 2019, interest at 4%	$ 262,554
Interest receivable in connection with above notes receivable	24,043
	286,597
Valuation allowance	(278,408)
	$ 8,189

6. NOTE PAYABLE

On October 19, 2004, the Company issued a note in $ 250,000 denomination. The note was for a period of six months bearing an annual interest at 5-3/4%. The Company granted 5,000,000 warrants to a third party upon exercising their rights to advance $250,000 to the Company. The Company recorded $589,602 as expense for the cost of the issuance of such warrants during the period ended March 31, 2005. The Company paid back $ 50,000 during the nine month period ending March 31, 2005. The balance on the note as of March 31, 2005 amounted to $ 200,000.

7. FACTORING PAYABLE

The Company has entered into an agreement with a factoring company ("the Factor") to factor purchase orders with recourse. The Factor funds 97% or 90% based upon the status of the purchase order. The Factor has agreed to purchase up to $4,800,000 of qualified purchase orders over the term of the agreement; however, the Factor does not have to purchase more than $200,000 in any given month. The agreement term is from June 2, 2003 to June 2, 2005. The Company will pay a late fee of 3% for payments not made within 30 days and 5% for those not made in 60 days. At the option of the Factor, the late fees may be paid with Company stock. If paid by Company stock, the stock bid price will be discounted 50% in computing the shares to be issued in payment of the late fee.

The Company has agreed to issue the Factor 1,500,000 warrants purchasing the Company's stock as a fee for the factoring agreement. The stock issued under the warrants can be purchased at the average closing price of the Company's stock for the 90 days prior to the factoring agreement.

The Company has also issued the Factor bonus warrants. The Factor will receive two (2) bonus warrants for each dollar of purchase orders purchased. The bonus warrants will be exercisable at the average closing price of the Company's common stock for the 90 days prior to the purchase order transactions they represent or a 50% discount to the closing price of the Company's stock at the time exercised at the option of the Factor. Both warrants are for a five year period.

At March 31, 2005, the Company had a factoring payable balance of $136,722.

8. PAYROLL TAXES-ASSUMED IN MERGER

The Company assumed $205,618 of payroll tax liabilities in the merger with Pacific Diagnostic Technologies, Inc. The balance was $96,661 at March 31, 2005. The Company is delinquent on payments of these payroll tax liabilities.

9. LONG TERM DEBT

Leases payable, interest at 7.9% to 20%, due various dates in 2005 to 2008	$ 283,665
Note payable, DFS, interest at 15.99%, due June & July 2006	1,845
Notes payable, AP conversion, interest at 8%, due 2006	34,490
Note payable - Vendor, monthly installments $404, July 2005	2,427
	-322,427
Current portion	(121,864)

	$ 200,563

The future maturity of the long term payables is as follows:

2005	$121,864
2006	110,699
2007	89,864

Total	$ 322,427
	=========

10. ADVANCES FROM LENDER

On August 2, 2004 the Company signed a convertible debenture agreement with an accredited investor whereby the Company received in an advance of $600,000 for prepayment of warrants to be exercised. The agreement expires on August 2, 2006. During the nine month period ended March 31, 2005 the accredited investor exercised 155,000 warrants into common shares. The remaining $445,000 is recorded as advances from lender in the accompanying financial statements as of March 31, 2005. . The Company recorded $5,248 as expense for the cost of the issuance of such warrants during the nine month period ended March 31, 2005. The fair value of the warrants is estimated on the grant date using the Black-Scholes Model.

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11. CONVERTIBLE BONDS

Bonds payable with interest at 9%, due on various dates in 2001 and 2002, convertible to shares of common stock in increments of $1,000 or more.	$ 21,354

Bonds payable with interest at 12%, due July 2002, convertible to shares of common stock in increments of $500 or more.	41,141
	$ 62,495

Certain of the outstanding convertible bonds have matured as of December 31, 2002. The holders of the matured bonds do not wish to renew the bonds and have asked for payment; however, the Company does not have the cash to repay these bonds.

Bondholders have been asked to exchange their bonds for preferred stock. As of March 31, 2005, 2004, holders of $198,000 of the bonds including accrued interest had acted on this. The Company issued Series A Preferred shares in amount of $36,000 and Series B Preferred shares in the amount of $162,000 as of March 31, 2005.

12. CONVERTIBLE DEBENTURES

	The Company raised capital through the issuance of convertible debentures in the amount of $484,500 as of March 31, 2005. The terms of convertible $484,500 debentures are as follows: pursuant to the first agreement, one debenture in the amount of $300,000 pays interest at 5 3/4% interests and includes 3,000,000 warrants to purchase common stock for a period of three years at the exercise price of $1.00. The "Conversion Price" shall be equal to the lesser of (i) $0.50, or (ii) 75% of the average of the 5 lowest Volume Weighted Average Prices during the 20 Trading Days prior to Holder's election to convert, or (iii) 75% of the Volume Weighted Average Price on the Trading Day prior to Holder's election to convert market price of the Company's common stock prior to conversion. Upon conversion of the debenture, the fund is obligated to simultaneously exercise the $1.00 warrants providing added funding to the Company. The Warrant must be exercised concurrently with the conversion of this Debenture in an amount equal to ten times the dollar amount of the Debenture conversion. Upon execution of the securities purchase agreement, $225,000 of the purchase price was due and paid to the Company. The remaining $75,000 was paid to the Company on February 7, 2005 upon effectiveness of the Securities and Exchange Commission's Registration Statement. As of March 31, 2005, the Holder of debenture converted $15,500 of the debenture amount into 1,721,494 Common Shares of the Company and exercised 155,000 warrants. The Company received $155,000 (see note # 9 above) as of March 31, 2005. Pursuant to addendums to the securities purchase agreement dated February 3, 2005 and March 30, 2005, the Company delivered 7,500,000 common shares to an escrow agent in accordance to the terms of the agreement. Such shares may only be released by valid debenture conversion and warrant exercise notices submitted to the Company by the accredited investor. As of March 31, 2005, 5, 834,881 common shares remain in the escrow account.	$ 4

Pursuant to the provision of the securities purchase agreement the Company recorded a beneficial conversion feature upon the issuance of convertible debentures in the amount of $965,000. During the nine month period ended March 31 2005, the Company recorded a beneficial conversion feature expense of $107,222. The remaining unamortized beneficial conversion feature of $857,778 was recorded as contra equity in the accompanying financial statements as of March 31, 2005.

	Current portion of convertible debentures: The second agreement consists of two convertible debentures each for $100,000 which bears simple interest at 10%. The initial Debenture for $100,000 was purchased during August 2004. The second Debenture for $100,000 was purchased on November 11, 2004. Debentures are convertible into the Common stock of the Company. Conversion Price per share shall be the lower of (i) $0.10 ("Maximum Base Price"); or (ii) in the event the Borrower enters into an agreement subsequent to execution of the Securities Purchase Agreement to sell Common Stock or a convertible instrument that converts into Common Stock prior to conversion of this Debenture at a price less than the Conversion Price of this Debenture, then the Conversion Price of this Debenture shall be immediately reset to a lower Conversion Price equal to that described in the subsequent agreement.	20
	Long term portion	$ 28

On April 14, 2005, a holder of debentures converted $200,000 of debentures into 2,000,000 Common Shares of the Company. The total interest on these convertible debentures for the nine months period ended March 31, 2005 and 2004 amounted to $18,923 and $0 respectively.

13. CONVERTIBLE NOTES

During the nine month period ended March 31, 2005, the Company raised capital through the issuance of convertible promissory notes in the amount of $570,000. The convertible notes plus any accrued interest through the date of conversion are convertible to the common stock of the Company at $0.06. Additionally, the holder will receive one bonus warrant for each conversion share. Each bonus warrant will be exercisable for a period of 5 years from the date of issuance into one share of common stock at a price of $0.10.

The conversion right of the note holder with respect to the individual notes shall only exist upon: (i) the approval of a proxy statement to be filed with the Securities and Exchange Commission and approval of an amendment by the Company's shareholders to authorize to 200,000,000 the number of shares of common stock and (ii) the Company's registration statement registering the Shares underlying the notes and other Securities has been declared effective by the Securities and Exchange Commission.

The Company issued 7,504,164 Common Shares upon conversion of promissory notes of $478,250. In connection with this transaction, a beneficial conversion feature expense of $28,297 was recorded. The balance outstanding as of March 31, 2005 amounted to $ 91,750.

The total interest on these convertible notes for the period ended March 31, 2005 and 2004 amounted to $52,656 and $ 0 respectively.

14. LOANS PAYABLE - STOCKHOLDERS

During the nine month period ended March 31, 2005, the Company issued 400,000 common shares in settlement of a loan to a shareholder amounting to $56,000. The Company does not have any loans payable to shareholders at March 31, 2005.

15. STOCKHOLDERS' DEFICIT

a. Common Stock and Warrants

The Company has authorized 200 million shares of common stock with a par value of $0.01 per share. Each share entitles the holder to one vote. There are no dividend or liquidation preferences, participation rights, call prices or rates, sinking fund requirements, or unusual voting rights associated with these shares. During the year ended June 30, 2003, the Company established the Class L warrants and initiated the process of establishing the Class A Preferred Stock which underlies these warrants.

During the nine months period ended March 31, 2005, the Company recorded the following equity transactions:

- The Company issued 2,725,652 Common Shares to consultants for services valued at $367,040 and 4,628,572 Common Shares were issued for conversion of loans from shareholders valued at $211,756.
- The Company issued 2,492,824 Common Shares upon exercise of warrants and received cash amounting to $49,968.
- The Company issued 7,504,164 Common Shares upon conversion of promissory notes of $478,250. In connection with this transaction, a beneficial conversion feature expense of $28,297 was recorded.
- The Company issued 7,686,375 Common Shares pursuant to conversion of debentures into common stock valued at $1,052,500.
- The Company issued a total of 3,166,920 Common Shares upon conversion of Preferred Shares. 328,000 Series A Preferred Shares were converted to 328,000 common Shares valued at $65,600; 558,924 Series B Preferred Shares were converted to 2,794,920 Common Shares valued at $111,797; 2,200 Series C Preferred Shares were converted to 44,000 Common Shares valued at $2,200.
- The Company issued 490,215 Common Shares to employees as bonus valued at $85,750.
- The Company issued 14,000,000 Common Shares pursuant to an Agreement with Langley Park Investments PLC, whereby, the Company received 1,145,595 shares of Langley in exchange of its common shares issuance.
- The Company issued 2,750,000 Common Shares under private placement agreements and raised $230,000 from sale of shares.
- The Company issued 400,000 Common Shares to a shareholder for converting its loan of $56,000 to equity.

The Company agreed to provide with respect to the Common Stock as well as the Common Stock issuable upon exercise of the Warrants, certain registration rights under the Securities Act.

Upon surrender of either a Class J or L warrant, the holder is entitled to purchase one share of the Company's stock at the designated exercise price. For each warrant class, the number of warrants outstanding, the exercise price, the

type of underlying stock, and the expiration dates are defined as follows:

Class L - warrants were established in March 2003, with an exercise price of $0.25 per share, an expiration date of January 14, 2005 and Series A Preferred as underlying stock. As of March 31, 2005, holders of Class J exchanged their warrants for 3,063,432 Class L Warrants.

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During the year ended June 30, 2004, 200,000 shares of warrants were issued for consulting services for three years beginning February 2004, valued at $41,572. $32,452 was amortized during the nine month period ended March 31, 2005. On October 19, 2004, the Company granted 5,000,000 warrants to a third party upon exercising their rights to advance $250,000 to the Company. The amount advanced was for a period of six months bearing an annual interest at 5-3/4%. The Company recorded $589,602 as expense for the cost of the issuance of such warrants during the period ended March 31, 2005. Pursuant to the security purchase agreement dated August 2, 2004, the Company granted 3,000,000 warrants to a third party, to be exercised concurrently with or subsequent to the issuance of a conversion notice under the debenture agreement. The Company recorded $5,248 as expense for the cost of the issuance of such warrants during the nine month period ended March 31, 2005. The fair value of the warrants is estimated on the grant date using the Black-Scholes Model. The following assumptions were made in estimating fair value.

Annual rate of quarterly dividends	0.00%
Discount rate - Bond Equivalent Yield	3.40%
Expected life	1-3 years
Expected volatility	90% to 100%

b. Common Stock Reserved

At March 31, 2005, the Company reserved Common Shares for the following reasons:

Outstanding convertible bonds	62,495 shares

Warrants	Number of Warrants
Outstanding June 30, 2004	4,263,432
Issued during the period	20,148,811
Exercised	(655,000)
Outstanding March 31, 2005	23,757,243

c. Stock Option Agreements

The Company granted 50,000 stock options to one employee and recorded $1,500 as compensation expense during the nine months period ended March 31, 2005.

The number and weighted average exercise prices of options granted by the Company are as follows:

	Number of Options	Weighted average exercise price

Options		
Outstanding June 30, 2004	0	0.000
Granted	9,395,614	0.029
Exercised	(2,275,297)	(0.001)
Expired/forfeited	0	0.000
Outstanding March 31, 2005	7,120,317	0.029

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d. Stock transactions approved by the shareholders

At the Annual Meeting of the shareholders held on June 30, 2004, the shareholders approved by a majority vote to increase to 200,000,000 shares, $0.01 par value common stock, and 50,000,000 shares no par value, preferred stock which the corporation shall have authority to issue. The board of directors is authorized to divide the preferred stock into any number of classes or series, fix the designation and number of shares of each such series or class and alter or determine the rights, preferences, privileges and restrictions of each or series of preferred stock

Series A Preferred Stock

The general terms of the Series A Preferred Stock is as follows: No par value; Liquidation Preference - $0.25 per share plus any unpaid accumulated dividends; Dividends - cumulative annual rate of $0.005 per share when and as declared by the Board of Directors; Conversion Rights - convertible to common stock at a 1:1 ratio ; Redemption Rights - the Company has the right to redeem part or all of the stock upon 30 days written notice at a rate of $0.25 per share plus all accumulated and unpaid dividends thereon at the dividend rate of $0.005 annually per share; Voting Rights - one vote per share on all matters requiring shareholder vote. At March 31, 2005, the Company had issued 3,654,931 shares of Series A Preferred stock. These shares were used to pay for officer compensation valued at $427,500, payroll expenses valued at $191,502 and for bond conversion valued at $36,203. The Company recorded loss on conversion of debt in amount of $101,372 in the accompanying financials from Series A preferred stock. The Company has recorded a cumulative dividend of $12,424 for the preferred stockholders for the nine month period ended March 31, 2005, in the accompanying financial statements.

Series B Preferred Stock

The general terms of the Series B Preferred Stock is as follows: No par Value; Liquidation Preference - $0.25 per share plus any unpaid accumulated dividends; Dividends - cumulative annual rate of $0.0005 per share when and as declared by the Board of Directors; Conversion Rights - convertible to common stock at a 1:5 ratio (i.e. 1 share of Series B Preferred stock is convertible into 5 shares of common stock); Redemption Rights - the Company has the right to redeem part or all of the stock upon 30 days written notice at a rate of $0.25 per share plus all accumulated and unpaid dividends thereon at the dividend rate of $0.0005 annually per share; Voting Rights - one vote per share on all matters requiring shareholder vote. At March 31, 2005, the Company had issued 680,255 shares of Series B Preferred Stock valued at $162,063. The Company recorded loss on conversion of debt in amount of $484,179 in the accompanying financials from Series B preferred stock. The Company has recorded a cumulative dividend of $84 for the preferred stockholders for the nine month period ended March 31, 2005,

in the accompanying financial statements.

Series C Preferred Stock

The general terms of the Series C Preferred Stock is as follows: No par value; Liquidation Preference - $1.00 per share plus any unpaid accumulated dividends; Dividends - cumulative annual rate of $0.0005 per share when as declared by the Board of Directors; Conversion Rights - 1:20 ratio (i.e. 1 share of Preferred Series C stock is convertible into 20 shares of common stock); Redemption Rights - the Company has the right to redeem part or all of the stock upon 30 days written notice at the rate of $1.00 per share plus all accumulated and unpaid dividends thereon at the dividend rate of $0.0005 annually per share.; Voting Rights - one vote per share on all matters requiring shareholder vote. At March 31, 2005, the Company had issued 20,148 shares of Series C Preferred Stock valued at $20,139. The Company recorded loss on conversion of debt in amount of $56,423 in the accompanying financials from Series C preferred stock. The Company has recorded a cumulative dividend of $3 for the preferred stockholders for the nine month period ended March 31, 2005, in the accompanying financial statements.

The Company has recorded a cumulative dividend of $12,511 for the preferred stockholders for the nine month period ended March 31, 2005, in the accompanying financial statements. The Company has entered into agreements with various vendors and employees to convert their liabilities into the preferred series of stock.

16. SUPPLEMENTAL DISCLOSURE OF CASH FLOWS

The Company prepares its statements of cash flows using the indirect method as defined under the Financial Accounting Standard No. 95. The Company paid $0 for income tax during the nine month period ended March 31, 2005. The Company paid $ $49,515 interest during the nine month period ended March 31, 2005.

17. LOSS ON CONVERSION OF DEBT

During the nine month period ended March 31, 2005 the Company recorded a loss of $1,100,421 due to settlement of accounts payable of $615,972, bond conversions of $76,199 and debenture conversions of $408,250.

18. COMMITMENTS AND CONTINGENCIES

a) Operating Leases

Effective July 1, 2004 the Company relocated its executive offices to Huntington Beach, California and entered into a four year lease agreement. The agreement contains a base rent escalation clause. The Company leases its Idaho office facility under a month-to-month rental agreement at $1,384 per month. For the period ended March 31, 2005, rent expense for these operating leases totaled $84,857.

The future minimum lease payments under non-cancelable leases are as follows:

2005	$ 58,050
2006	82,202
2007	83,897
2008	42,372

$ 266,521
=========

b) Litigation

On April 16, 2004, Decision One Corporation filed suit in the County of Bannock, Idaho against Quintek for $22,661.56 for goods provided. Since 2000, Decision One (formerly Imation) has been both a vendor to Quintek and a reseller of Quintek's Q4300 Printers. Quintek filed a counterclaim on August 1, 2004. Quintek asserts that Decision One used its authority as a dealer of our product to disparage us, in violation of its dealer agreement with us, and we seek relief for the hundreds of thousands of dollars in business lost because of it. On January 11, 2005, the Court granted Judgment for the sum of $21,000 in favor of the Decision One Corporation. The Court has ruled that Quintek would be allowed to file the counterclaim under this action, rather than a separate lawsuit. The Company can appeal the Court's decision and would have until February 18, 2005 to file the Notice of Appeal. In March 2005, a stipulation settlement was accepted by the Creditor where they agreed to accept $15,000 in full satisfaction of their debt. The Company agreed to pay $2,000 upon execution of the stipulation plus $1,000 for 13 months thereafter. Upon receipt of the

final payment, a Satisfaction of Judgment will be entered in the matter. If the Company fails to meet the payment schedule, the Creditor, after giving credit for payments received, shall be allowed to proceed with the full judgment of $21,000 plus accumulated interest and costs. The amount of Judgment of $21,000 is included in accounts payable and accrued expenses in the accompanying financial statements as of March 31, 2005.

19. BASIC AND DILUTED NET LOSS PER SHARE

Net loss per share is calculated in accordance with the Statement of financial accounting standards No. 128 (SFAS No. 128), "Earnings per share." Basic net loss per share is based upon the weighted average number of common shares outstanding. Diluted net loss per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period.

Weighted average number of shares used to compute basic and diluted loss per share for the period ended March 31, 2005 and 2004 are the same since the effect of dilutive securities is anti-dilutive.

20. GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of the Company as a going concern. This basis of accounting contemplates the recovery of the Company's assets and the satisfaction of its liabilities in the normal course of business. Through March 31, 2005, the Company had incurred cumulative losses of 29,577,755 including net losses of $6,516,689 and$568,197 for the nine month periods ended March 31, 2005 and 2004, respectively. In view of the matters described in the preceding paragraph, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company, which in turn is dependent

upon the Company's ability to raise additional capital, obtain financing and to succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Management has taken the following steps to revise its operating and financial requirements, which it believes are sufficient to provide the Company with the ability to continue as a going concern. Management devoted considerable effort during the period ended March 31, 2005, towards (i) obtaining additional equity financing and (ii) evaluation of its distribution and marketing methods.

Item 2. Management's Discussion and Analysis

2.1 Results of Operations

Our revenues totaled $408,047 and $46,775 for the three months ended March 31, 2005 and 2004, and $844,726 and $232,200 for the nine months ended March 31, 2005 and 2004 respectively, an increase of $361,272 for the three months and $612,526 for the nine months ended March 31, 2005, primarily due to changing the company's sales focus to the services business. Revenues in the previous periods resulted primarily from sales of equipment, aperture card media, and maintenance services. Revenues for the three month and nine month period in 2005 included revenues of $364,386 and $697,547 earned from the business optimization services.

For the three months ended March 31, 2005 and 2004, cost of sales was $272,650 and $38,300, respectively, an increase of $234,350in 2005. For the nine months ended March 31, 2005 and 2004, cost of sales was $628,904 and $151,883, respectively, an increase of $477,021 in 2005. Cost of sales during fiscal 2005 consisted primarily of labor, facility and equipment lease costs relating to the business optimization services, whereas cost of sales during fiscal 2004 consisted primarily of labor and production costs.

Operating expenses totaled $444,444 and $203,312 for the three month period ended March 31, 2005 and 2004, and $5,387,993 and $630,770 for the nine month period ended March 31, 2005 and 2004, a $241,132 and $4,757,223 increase in three month and nine month over previous fiscal year, primarily due to a decline of $2,346,564 in value of marketable securities, increase in sales related expenses and stock-based compensation for officers, directors, employees and consultants amounting to $1,091,972.

Non-operating expenses totaled $576,372 and $5,962 for the three months ended March 31, 2005 and 2004, and $1,331,207 and $16,944 for the nine months ended March 31, 2005 and 2004, respectively, an increase of $570,410 for the three months and $1,314,263 for the nine month period primarily due to loss of conversion of debt to equity, recording of beneficial conversion feature and interest expense.

During the three months ended March 31, 2005, we billed on seven (7) contracts for document services, 15 maintenance contacts, one (1) network upgrade and 16,000 aperture cards compared to the three months ended December 31, 2004, the Company billed on 5 (five) contracts for document services, (18) maintenance contracts, (2) network upgrades, and 12,000 aperture cards.

2.2 Liquidity and capital resources

We have historically financed operations from the issuance of debt, the sale of common stock and the conversion of common stock warrants. On March 31, 2005, the

Company had cash on hand of $102,671 and working capital deficit of $1,472,639 as compared to cash on hand of $15,600 and working capital deficit of $2,127,980 on June 30, 2004.

Net cash used in operating activities totaled $1,52,413 and $374,104 for nine months ended March 31, 2005 and 2004, respectively, is attributed primarily to decline in market value of marketable securities, loss on conversion of debt to equity, an increase in stock-based compensation, issuance of stock for consulting services and changes in accounts payable and other liabilities.

Net cash used in investing activities totaled $375,287 and $9,813 for the nine months ended March 31, 2005 and 2004 is primarily related to purchase of equipment made during the periods.

Net cash provided by financing activities totaled $1,626,319 and $412,890 for the nine months ended March 31, 2005 and 2004 is based primarily on proceeds from issuance of commons stock and warrants, proceeds from line of credit and issuance of debentures, offset by payments of notes payable and factoring payable. We assumed certain payroll tax liabilities as the result of the merger with Pacific Diagnostic Technologies, Inc., on January 14, 1999. We have negotiated a payment plan with the Internal Revenue Service to pay the payroll taxes assumed in the merger.

We believe that the receipt of net proceeds from the issuance of debt, the sale of the common stock and the exercise of common stock warrants plus cash generated internally from sales will be sufficient to satisfy our future operations, working capital and other cash requirements for the remainder of the fiscal year. However, if we are unable to raise sufficient capital, we may need to sell certain assets, enter into new strategic partnerships, reorganize the Company, or merge with another company to effectively maintain operations. Our audit for the years ended June 30, 2004 and 2003 contained a going concern qualification.

Item 3. Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer (collectively, the "Certifying Officers") are responsible for establishing and maintaining disclosure controls and procedures for the Company. Such officers have concluded (based on their evaluation of these controls and procedures as of a date within 90 days of the filing of this report) that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in this report is accumulated and communicated to the Company's management, including its principal executive officers as appropriate, to allow timely decisions regarding required disclosure. The Certifying Officers also have indicated that there were no significant changes in the Company's internal controls or other factors that could significantly affect such controls subsequent to the date of their evaluation, and there were no corrective actions with regard to significant deficiencies and material weaknesses.

PART II -- OTHER INFORMATION

Item 1. Legal Proceedings

On April 16, 2004, Decision One Corporation filed suit in the County of Bannock, Idaho against Quintek for $22,662 for goods provided. Since 2000, Decision One (formerly Imation) has been both a vendor to Quintek and a reseller of Quintek's Q4300 Printers. Quintek filed a counterclaim on August 1, 2004. Quintek asserts

that Decision One used its authority as a dealer of our product to disparage us, in violation of its dealer agreement with us, and we seek relief for the hundreds of thousands of dollars in business lost because of it. On January 11, 2005, the Court granted Judgment for the sum of $21,000 in favor of the Decision One Corporation. The Court has ruled that Quintek would be allowed to file the counterclaim under this action, rather than a separate lawsuit. The Company can appeal the Court's decision and would have until February 18, 2005 to file the Notice of Appeal. In March 2005, a stipulation settlement was accepted by the Creditor where they agreed to accept $15,000 in full satisfaction of their debt. The Company agreed to pay $2,000 upon execution of the stipulation plus $1,000 for 13 months thereafter. Upon receipt of the final payment, a Satisfaction of Judgment will be entered in the matter. If the Company fails to meet the payment schedule, the Creditor, after giving credit for payments received, shall be allowed to proceed with the full judgment of $21,000 plus accumulated interest and costs.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On January 10, 2005, 328,000 Common Shares were issued to an investor pursuant to the investor's conversion of Series A Preferred stock.

On January 12, 2005, the Company issued 250,000 Common Shares to an accredited investor for sale of stock valued at $25,000 on October 12, 2004.

On January 14, 2005, the Company entered into an agreement with a consultant to provide consulting services for a twelve month period. In consideration of consulting services, the consultant shall receive 1,800,000 Common Shares to be issued under rule 144 (restricted stock) and shall have a one year restriction before the sale of any shares, and after two years shall be unrestricted under rule 144k. As of March 31, 2005, the Company did not issue any shares to the consultant.

On February 1, 2005, the Company entered into an addendum to Convertible Debenture and Warrant to Purchase Common Shares by and between the Company and an accredited investor. Under this agreement, the Company received $100,000 on March 30, 2005, as a prepayment towards the exercise of Warrant Shares under the Convertible Debenture and Warrant to Purchase Common Shares agreement.

On February 2, 2005, in consideration of investor relations services, the Company agreed to issue 6,250,000 Warrants to purchase Common Shares at $0.18 per share. The Warrants shall become exercisable as follows: (a) 3,125,000 Warrants are vested and fully exercisable; and (b) 3,125,000 Warrants shall vest and become exercisable on July 1, 2005. The Warrants shall expire on February 1, 2008. The Company did not issue these warrants as of March 31, 2005.

On February 8, 2005, the Company issued 186,375 Common Shares valued at $2,500 to an accredited investor. On February 16, 2005, the Company issued 5,000,000 Common Shares valued at $750,000 to be held in escrow for an accredited investor, for future debenture conversions and warrant exercises. On March 30, 2005, the Company issued an additional 2,500,000 Common Shares valued at $300,000 to be held in escrow for the same accredited investor.

On March 7, 2005, the Company issued 6,804,164 Common Shares to an accredited investor upon conversion of convertible promissory note of $408,250.

On March 10, 2005, the Company issued 400,000 Common Shares valued at $56,000 in settlement of debt of a shareholder.

Unless otherwise noted, the sales set forth above. involved no underwriter's

discounts or commissions and are claimed to be exempt from registration with the Securities and Exchange Commission pursuant to Section 4 (2) of the Securities Act of 1933, as amended, as transactions by an issuer not involving a public offering, the issuance and sale by the Company of shares of its common stock to financially sophisticated individuals who are fully aware of the Company's activities, as well as its business and financial condition, and who acquired said securities for investment purposes and understood the ramifications of same.

Item 3. Defaults Upon Senior Securities

N/A

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

During the three month period ending March 31, 2005, no matters were submitted to a vote of security holders.

Item 5. Other Information

N/A

Item 6. Exhibits

(a) Exhibits

31.1 Certification pursuant to Rule 13a-14 of the Securities Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, of the Chief Executive Officer

31.2 Certification pursuant to Rule 13a-14 of the Securities Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, of the Chief Financial Officer

32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of the Chief Executive Officer

32.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of the Chief Financial Officer

Signatures

Pursuant to the requirements 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.

QUINTEK TECHNOLOGIES, INC.

Date: May 17, 2005

/s/ ROBERT STEELE

Robert Steele, Chairman
and Chief Executive Officer

Date: May 17, 2005

/s/ ANDREW HAAG

Andrew Haag, Chief Financial Officer