

SAFE ID CORP
Form 10QSB
May 15, 2003

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-QSB

X...Quarterly report under section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended March 31, 2003.

....Transition report under section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

Commission File No: 0-29803

SAFE ID CORPORATION

(Name of small business in its charter)

| | | |
|--------|---------|------------|
| Nevada | 0-29803 | 88-0407078 |
|--------|---------|------------|

(State or other jurisdiction of incorporation) (Commission File Number) (IRS Employer Identification Number)

Suite B3, 1700 Varsity Estates Drive NW

Calgary, Alberta, CANADA
(Address of Principal Office)

T3B-2W9
Zip Code

Issuer's telephone number: (403) 247-4630

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

Applicable only to issuers involved in bankruptcy proceedings during the past five years.

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

Applicable only to corporate issuers

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date. At March 31, 2003, the following shares of common were outstanding: Common Stock, no par value, 26,204,000 shares.

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

PART 1 - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS AND EXHIBITS

(a) The unaudited financial statements of registrant for the three months ended March 31, 2003, follow. The financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim period presented.

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SAFE ID CORPORATION

(A Development Stage Company)

FINANCIAL STATEMENTS

Quarter Ended March 31, 2003

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SAFE ID CORPORATION

(A Development Stage Company)

Balance Sheets

(Unaudited)

(U.S. Dollars)

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| | March 31, 2003 | December 31, 2002 |
|---|-------------------|----------------------|
| Assets | | |
| Current | | |
| Cash | \$12,654 | \$7,736 |
| Due from stockholders | 15,465 | 0 |
| Note receivable | 24,730 | 22,591 |
| Total Assets | \$52,849 | \$30,327 |
| Liabilities | | |
| Current | | |
| Accounts payable | \$8,668 | \$14,387 |
| Due to stockholders | 0 | 84,535 |
| Total Liabilities | 8,668 | 98,922 |
| Stockholders' Equity (Deficiency) | | |
| Common Stock , 50,000,000 shares authorized, par value of \$0.001, 26,204,000 (2002 - 22,584,000) shares issued and outstanding | 26,204 | 22,584 |
| Common Share Subscriptions Received | 0 | 205,000 |
| Additional Paid-In Capital | 365,796 | 33,416 |
| Deficit Accumulated During the Development Stage | (349,871) | (328,399) |
| Accumulated Other Comprehensive Income (Loss) | 2,052 | (1,196) |
| Total Stockholders' Equity (Deficiency) | 44,181 | (68,595) |
| Total Liabilities and Stockholders' Equity | \$52,849 | \$30,327 |

See note to financial statements.

SAFE ID CORPORATION

(A Development Stage Company)

Statements of Operations

(Unaudited)

(U.S. Dollars)

| | Three Months Ended March 31, | | Period From June 27, 1996 (Inception) to March 31, 2003 |
|--|------------------------------|------------|--|
| | 2003 | 2002 | |
| Revenue | \$0 | \$0 | \$21,490 |
| Cost of Sales | 0 | 0 | 16,555 |
| Gross Profit | 0 | 0 | 4,935 |
| Expenses | | | |
| Interest and bank charges, net | 9,641 | 141 | 8,958 |
| Consulting | 7,500 | 400 | 77,595 |
| Travel | 3,681 | 0 | 25,484 |
| Selling and administrative | 3,613 | 953 | 23,918 |
| Rent | 797 | 755 | 11,449 |
| Oil and gas property expenditures | 0 | 0 | 128,616 |
| Professional fees (recovery) | (3,760) | 0 | 78,786 |
| | 21,472 | 2,249 | 354,806 |
| Net Loss for Period | \$(21,472) | \$(2,249) | \$(349,871) |
| Net Loss Per Share | \$ 0.00 | \$ 0.00 | |
| Weighted Average Number of Shares Outstanding | 23,772,889 | 22,584,000 | |

See note to financial statements.

SAFE ID CORPORATION

(A Development Stage Company)

Statements of Stockholders' Equity (Deficiency)

March 31

(U.S. Dollars)

| | Common Stock Number | Common Stock Amount | Common Stock Subscribed Amount | Additional Paid-in Capital | Accumulated Other Comprehensive Loss | Deficit Accumulated During the Development Stage | Total Stockholders' Equity (Deficiency) |
|--------------------------------|---------------------------|---------------------------|--------------------------------------|----------------------------------|---|--|--|
| Balance, June 27, 1996 | 0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Common Stock Issued | | | | | | | |
| For services | 6,000,000 | 6,000 | 0 | (5,000) | 0 | 0 | 1,000 |
| Net Loss, June 27, 1996 | | | | | | | |

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| | | | | | | | |
|-------------------------------------|-------------|----------|-----------|----------|-----------|-------------|------------|
| to December 31, 1996 | 0 | 0 | 0 | 0 | 0 | (1,000) | (1,000) |
| Balance, December 31, 1996 | 6,000,000 | 6,000 | 0 | (5,000) | 0 | (1,000) | 0 |
| Net Loss, Year Ended | | | | | | | |
| December 31, 1997 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance, December 31, 1997 | 6,000,000 | 6,000 | 0 | (5,000) | 0 | (1,000) | 0 |
| Net Loss, Year Ended | | | | | | | |
| December 31, 1998 | 0 | 0 | 0 | 0 | 0 | (350) | (350) |
| Balance, December 31, 1998 | 6,000,000 | 6,000 | 0 | (5,000) | 0 | (1,350) | (350) |
| Common Stock Issued | | | | | | | |
| For intellectual property | 9,000,000 | 9,000 | 0 | 21,000 | 0 | 0 | 30,000 |
| For cash | 9,000,000 | 9,000 | 0 | 21,000 | 0 | 0 | 30,000 |
| Net Loss, Year Ended | | | | | | | |
| December 31, 1999 | 0 | 0 | 0 | 0 | 0 | (51,861) | (51,861) |
| Share Issue Costs | 0 | 0 | 0 | (5,000) | 0 | 0 | (5,000) |
| Balance, December 31, 1999 | 24,000,000 | 24,000 | 0 | 32,000 | 0 | (53,211) | 2,789 |
| Net Loss, Year Ended | | | | | | | |
| December 31, 2000 | 0 | 0 | 0 | 0 | 0 | (49,217) | (49,217) |
| Balance, December 31, 2000 | 24,000,000 | 24,000 | 0 | 32,000 | 0 | (102,428) | (46,428) |
| Common Stock Repurchases | (1,416,000) | (1,416) | 0 | 1,416 | 0 | 0 | 0 |
| Foreign Currency Translation | 0 | 0 | 0 | 0 | (741) | 0 | (741) |
| Net Loss, Year Ended | | | | | | | |
| December 31, 2001 | 0 | 0 | 0 | 0 | 0 | (29,427) | (29,427) |
| Balance, December 31, 2001 | 22,584,000 | 22,584 | 0 | 33,416 | (741) | (131,855) | (76,596) |
| Common Share Subscription | | | | | | | |
| Received | 0 | 0 | 205,000 | 0 | 0 | 0 | 205,000 |
| Foreign Currency Translation | 0 | 0 | | 0 | (455) | 0 | (455) |
| Net Loss, Year Ended | | | | | | | |
| December 31, 2002 | 0 | 0 | | 0 | 0 | (196,544) | (196,544) |
| Balance, | | | | | | | |
| December 31, 2002 | 22,584,000 | \$22,584 | \$205,000 | \$33,416 | \$(1,196) | \$(328,399) | \$(68,595) |

See note to financial statements.

SAFE ID CORPORATION

(A Development Stage Company)

Statements of Stockholders' Equity (Deficiency)

March 31

(U.S. Dollars)

| | Accumulated | Deficit Accumulated | Total |
|--|-------------|------------------------|-------|
|--|-------------|------------------------|-------|

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| | Common Stock Number | Common Stock Amount | Common Stock Subscribed Amount | Additional Paid-in Capital | Other Comprehensive Loss | During the Development Stage | Stockholders' Equity (Deficiency) |
|---|---------------------------|---------------------------|--------------------------------------|----------------------------------|--------------------------------|------------------------------------|---|
| Balance, December 31, 2002 | 22,584,000 | \$22,584 | \$205,000 | \$33,416 | \$(1,196) | \$(328,399) | \$(68,595) |
| Unaudited Information | | | | | | | |
| Common Stock Issued | | | | | | | |
| For cash | 250,000 | 250 | 0 | 24,750 | 0 | 0 | 25,000 |
| For subscriptions received in prior year | 1,250,000 | 1,250 | (205,000) | 203,750 | 0 | 0 | 0 |
| For settlement of debt | 2,120,000 | 2,120 | 0 | 103,880 | 0 | 0 | 106,000 |
| Foreign currency translation | 0 | 0 | 0 | 0 | 3,248 | 0 | 3,248 |
| Net loss, Period ended March 31, 2003 | 0 | 0 | 0 | 0 | 0 | (21,472) | (21,472) |
| Balance, March 31, 2003 | 26,204,000 | 26,204 | 0 | 365,796 | 2,052 | (349,871) | 44,181 |

See note to financial statements.

SAFE ID CORPORATION

(A Development Stage Company)

Statements of Cash Flows

(Unaudited)

(U.S. Dollars)

| | Three Months Ended March 31, 2003 | 2002 | Period From June 27,1996 (Inception) to March 31, 2003 |
|---|--------------------------------------|-----------|---|
| Cash Flows from Operating Activities | | | |
| Net loss | \$(21,472) | \$(2,249) | \$(349,871) |
| Adjustment to reconcile net loss to net cash used in operating activities | | | |

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| | | | |
|--|-----------------|----------------|------------------|
| Issuance of common stock for payment of services and intellectual property | 0 | 0 | 31,000 |
| Accrued interest on note receivable | (2,139) | 0 | (2,139) |
| Accrued interest on loan from stockholder | 10,000 | 0 | 10,000 |
| Unrealized foreign exchange gain | 3,029 | 0 | 3,029 |
| Changes in Non-Cash Working Capital | | | |
| Accounts payable | (5,719) | (7,645) | 8,668 |
| Net Cash Used In Operating Activities | (16,301) | (9,894) | (299,313) |
| Investing Activity | | | |
| Note receivable advance | 0 | 0 | (22,673) |
| Financing Activities | | | |
| Subscriptions received | 0 | 0 | 165,000 |
| Loan received | 0 | 0 | 40,000 |
| Advances from (repayments to) stockholders | (4,000) | 2,563 | 80,535 |
| Issuance of common stock | 25,000 | 0 | 50,000 |
| Net Cash Provided by Financing Activities | 21,000 | 2,563 | 335,535 |
| Effect of Foreign Currency Translation on Cash | 219 | (4) | (895) |
| Cash Inflow (Outflow) | 4,918 | (7,335) | 12,654 |
| Cash, Beginning of Period | 7,736 | 7,966 | 0 |
| Cash, End of Period | \$12,654 | \$631 | \$12,654 |
| Supplementary Disclosure of Non-Cash Transactions | | | |
| Issuance of common stock | | | |
| For debt settlement | \$106,000 | \$0 | \$106,000 |
| From subscriptions received in prior year | \$205,000 | \$0 | \$205,000 |

SAFE ID CORPORATION

(A Development Stage Company)

Note to Financial Statements

March 31, 2003

(U.S. Dollars)

1. BASIS OF PRESENTATION

These unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States for interim financial information. These financial statement are condensed and do not include all disclosures required for annual financial statements. The organization and business of the Company, accounting policies followed by the Company and other information are contained in the notes to the Company's audited financial statements filed as part of the Company's December 31, 2002 Form 10-SB-12G.

In the opinion of the Company's management, these financial statements reflect all adjustments necessary to present fairly the Company's financial position at March 31, 2003 and the results of operations and cash flows for the three months ended March 31, 2003 and 2002. The results of operations for the three months ended March 31, 2003 are not necessarily indicative of the results to be expected for the entire fiscal year.

2. RESOURCE EXPENDITURES

The Company signed an agreement dated July 8, 2002 with White Energy Corp. ("White") providing for the Company to acquire oil and gas lease holdings ("the Leases") in the Northern Powder River Basin of Montana. Under the terms of the Agreement, the total purchase price for acquisition of an 82% Net Revenue Interest in the "Prospect" which covers approximately 80,291 net acres is \$1,286,161 U.S. plus 100,000 shares of the Company's common stock.

As of March 31, 2003, the Company has paid a total of \$128,616 U.S. cash to White and contractually owns 100% of the interest in the leases while White at the same time reserves an Overriding Royalty Interest in the Leases, resulting in the delivery of an 82% Net Revenue interest to the Company. Title to the Leases will not be transferred until the balance of the payments has been made. The Company and White are currently negotiating a new schedule for the balance of the payment.

This purchase agreement expired during this quarter.

3. EQUITY TRANSACTIONS

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(a) On February 24, 2003, the Company issued 250,000 shares of common stock with a par value of \$0.001 each for \$25,000 cash.

(b) On February 24, 2003, the Company issued 333,333 shares of common stock with a par value of \$0.001 each from \$40,000 of subscriptions received in fiscal 2002. Subscriptions received in fiscal 2002 were used to settle the initial deposits required under the terms of the Agreement for Sale and Purchase of Prospect and Leases.

SAFE ID CORPORATION

(A Development Stage Company)

Note to Financial Statements

(U.S. Dollars)

3. EQUITY TRANSACTIONS (Continued)

(c) On February 24, 2003, the Company issued 916,667 units from \$165,000 of subscriptions received in fiscal 2002. Each unit consists of one share of common stock and one stock purchase warrant. The warrants are exercisable at \$0.24 within two years from date of issuance.

(d) On March 7, 2003, the Company issued 2,120,000 shares of common stock with a par value of \$0.001 each for settlement of \$106,000 debt.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Certain statements in this report, including statements in the following discussion which are not statements of historical fact, are what are known as "forward looking statements," which are basically statements about the future. For that reason, these statements involve risk and uncertainty since no one can accurately predict the future. Words such as "plans," "intends," "will," "hopes," "seeks," "anticipates," "expects" and the like often identify such forward looking statements, but are not the only indication that a statement is a forward-looking statement. Such forward looking statements include statements concerning our plans and objectives with respect to the present and future operations of the Company, and statements which express or imply that such present and future operations will or may produce revenues, income or profits. Numerous factors and future events could cause the Company to change such plans and objectives or fail to successfully implement such plans or achieve such objectives, or cause such present and future operations to fail to produce revenues, income or profits.

Therefore, the reader is advised that the following discussion should be considered in light of the discussion of risks and other factors contained in this report on Form 10QSB and in the Company's other filings with the Securities and Exchange Commission. No statements contained in the following discussion should be construed as a guarantee or assurance of future performance or future results.

Plan of Operations

As of March 31, 2003, the Company remains in the development stage. It has minimal capital resources presently available to meet its obligations or to continue its efforts to develop its business. As a result, there is substantial doubt about the Company's ability to continue as a going concern.

Until June 30, 2002, the Company focused on developing business related to reselling of a product line of miniaturized micro-chips suitable for insertion into inanimate objects or under the skin of animals.

The chips are inserted into inanimate objects or under the skin of animals for purposes of positive identification. To develop this business, the Company estimated that it would require approximately \$250,000 within a twelve month period to meet overhead (rent, salaries and operational expenses) and to pay expenses connected with marketing (cost of goods sold and purchase of inventory). This included approximately \$50,000 to launch dynamic link relationships with major markets and to produce and circulate brochures and initial advertising announcements, and approximately \$200,000 in working capital to cover general overhead and to provide liquidity during the 12-months following launch of its product.

The Company was not able to raise the funds required for micro-chip sales. There is no assurance given the uncertain nature of the capital markets, that it will be able to obtain the necessary funds. As a result, the Company changed its focus and has been looking at other business opportunities. Since April 17, 2002 the Company has been trying to raise funds to develop oil and gas leases in Montana.

In July 2002, Safe ID Corporation signed an agreement with White Energy Corp. of Billings, Montana, U.S.A., to acquire approximately 91,771 acres of oil and gas lease holdings in the Northern Powder River Basin of Montana. As of March 31, 2003, the Company has made non-refundable payments totaling \$128,616 U.S. to White Energy Corp. under the terms of this agreement. The payments secured the property, and contractually, gave the Company a 100% interest.

However, the Company was not able to raise the necessary funds (estimated to be \$2.5 to \$3 million) for additional property and lease payments and an initial drilling commitment. As a result, the agreement signed July 12, 2002 expired on March 1, 2003.

Since the expiration of the initial agreement, the Company has continued to have discussions with White Energy concerning renegotiation of the agreement. Although the Company is continuing its efforts to raise money for the project, it has not yet been successful and it does not intend to execute a revised agreement with White Energy unless it has first been able to raise the necessary capital required for initial lease payments and a drilling program.

Given the market conditions, the Company is not optimistic that the funds can be raised for the White Energy project. As a result, at this time the Company is evaluating other projects and attempting to raise capital.

The Company believes that it currently has sufficient funds to allow it to pay the costs associated with filing periodic reports and maintaining its status as a reporting company for the remainder of the 2003 fiscal year. However, it does not have the funds which it believes will be needed to allow it to pursue and develop any business opportunities it may identify. No specific commitments to provide additional funds have been made by management or other stockholders, and the Company has no current plans, proposals, arrangements or understandings, either with respect to the sale or

issuance of additional securities or with respect to other actions it may take to raise additional capital it believes will be needed. Accordingly, there is no assurance that additional funds will be available to the Company to allow it to pursue and develop any business opportunities.

ITEM 3. CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and Chief Financial Officer (or those persons performing similar functions), after evaluating the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934, as amended) as of a date within 90 days before the filing date of this quarterly report (the "Evaluation Date"), have concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures were effective to ensure the timely collection, evaluation and disclosure of information relating to the Company that would potentially be subject to disclosure under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder. There were no significant changes in the Company's internal controls or in other factors that could significantly affect the internal controls subsequent to the Evaluation Date.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

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

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

- Exhibits 99.1 and 99.2, CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002 are filed herewith.

(b) No reports on Form 8-K were filed with the U.S. Securities and Exchange Commission for the quarter ended March 31, 2003.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SAFE ID CORPORATION

By: /S/ MAURIZIO FORIGO

Maurizio Forigo, President and a Director

By: /S/ JACK D. MACDONALD

Jack D. MacDonald, Chief Financial Officer and a Director

Date: May 15, 2003

Exhibit 99.1

SAFE ID CORPORATION

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Maurizio Forigo, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Safe ID Corporation.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

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

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

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

By: /S/ MAURIZIO FORIGO

Date: May 15, 2003

Maurizio Forigo, President and Director

Exhibit 99.2

SAFE ID CORPORATION

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jack D. MacDonald, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Safe ID Corporation.

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

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

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to

the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

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

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

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

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

By:/S/ JACK D. MACDONALD

Date: May 15, 2003

Jack D. MacDonald, Chief Financial Officer and Director