TEAM SPORTS ENTERTAINMENT INC
Form 10QSB
August 19, 2002

U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-QSB

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For Quarter Ended: June 30, 2002

Commission File Number: 0-23100

TEAM SPORTS ENTERTAINMENT, INC.
(Exact name of small business issuer as specified in its charter)

Delaware	22-2649848
(State of Incorporation)	(IRS Employer ID No)

13801 Reese Blvd West, Suite 150, Huntersville, NC 28078
(Address of principal executive office)

(704) 992-1290
(Issuer's telephone number)

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 [ ].

The number of shares outstanding of registrant's common stock, par value $.0001 per share, as of June 30, 2002 was 62,568,312.

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

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TEAM SPORTS ENTERTAINMENT, INC. AND SUBSIDIARY

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Part I. Unaudited Financial Information

TEAM SPORTS ENTERTAINMENT, INC. AND SUBSIDIARY

Condensed Consolidated Balance Sheet
June 30, 2002
(Unaudited)

Assets	
Current assets	
Cash and cash equivalents	$ 272,563
Marketable equity securities	27,142
Inventory	2,033,125
Prepaid expenses and other assets	112,500
Total current assets	2,445,330
Property and equipment:	
Race car designs and manufacturing equipment	1,673,400
Office furniture and computer equipment	154,274
	1,827,674
Less accumulated depreciation	(19,857)
Net property and equipment	1,807,817
Goodwill, net	2,810,627
	$ 7,063,774

Liabilities and Stockholders' Equity	
Current liabilities	
Accounts payable and accrued expenses	$ 324,111
Current portion of capital lease payable	38,382
Deferred revenue	100,000
Total current liabilities	462,493
Capital lease payable, less current portion	6,857
Stockholders' equity	
Preferred stock; $2.75 par value; authorized 2,000,000 shares; no shares issued and outstanding	-
Common stock, $.0001 par value; authorized 500,000,000 shares; issued and outstanding 62,568,312 shares	6,257
Paid-in capital	15,571,214
Accumulated deficit	(8,983,047)
Total stockholders' equity	6,594,424
	$ 7,063,774

TEAM SPORTS ENTERTAINMENT, INC. AND SUBSIDIARY

Condensed Consolidated Statements of Operations
Three and Six Months Ended June 30, 2002 and 2001 and Development Stage
fromInception (May 15,2001) through June 30, 2002
(unaudited)

	Three Months Ended June 30, 2002	Three Months Ended June 30, 2001	Six Mon 2002
Sales and revenues	$ -	$ 7,945	$ -
Cost of goods sold	-	3,096	-
Gross profit	-	4,849	-
Selling, general and administrative expense	1,486,447	329,684	2,256,41
Loss from operations	(1,486,447)	(324,835)	(2,256,41
Other income (expense):			
Interest and other income	3,031	28,210	12,67
Interest expense	(4,343)	-	(6,14
Unrealized gain (loss) on marketable equity securities	(858)	(8,000)	(16,85

Total other income	(2,170)	20,210	(10,33
Loss before income taxes and discontinued operations	(1,488,617)	(304,625)	(2,266,74
Income tax expense	-	-	-
Loss from continuing operations	(1,488,617)	(304,625)	(2,266,74
Discontinued operations:			
Earnings (loss) from operations of discontinued operations	-	572	-
Earnings (loss) from discontinued operations	-	572	-
Net earnings (loss)	$ (1,488,617)	$ (2,266,741)	$ (1,699,75
Net earnings (loss) per share, basic and diluted			
Continuing operations		$ (0.02)	$ (0.04
Discontinued operations	-	-	-
	$ (0.02)	$ (0.01)	$ (0.04
Weighted average shares outstanding			
Basic and diluted	62,568,312	46,639,141	62,518,588

See accompanying notes to condensed consolidated financial statements

TEAM SPORTS ENTERTAINMENT, INC. AND SUBSIDIARY

Condensed Consolidated Statement of Stockholders' Equity
Six Months Ended June 30, 2002
(Unaudited)

	Common Stock Shares	Common Stock Par Value	Paid-in Capital	Stock Subscription Receivable	Accumula Defici
Balance, December 31, 2001	62,468,312	$ 6,247	$15,533,724	$ (350,000)	$(6,716,30
Exercise common stock warrants .	100,000	10	37,490	-	-
Collection of stock subscription	-	-	-	350,000	-
Net loss	-	-	-	-	(2,266,74

Balance, June 30, 2002	62,568,312	$ 6,257	$15,571,214	$ -	$(8,983,04

See accompanying notes to condensed consolidated financial statements.

TEAM SPORTS ENTERTAINMENT, INC. AND SUBSIDIARY

Condensed Consolidated Statements of Cash Flows
Six Months Ended June 30, 2002 and 2001 and Development Stage
from Inception (May 15, 2001), through June 30, 2002
(Unaudited)

	2002	2001	From in (5/15 thr June 3 (Not
Cash flows from operating activities			
Net earnings (loss)	$(2,266,741)	$(1,699,754)	$(3,06
Adjustments to reconcile net earnings (loss) to net cash used by operating activities:			
Loss from discontinued operations, net of tax	-	1,380,770	
Depreciation and amortization	12,789	26,150	14
Unrealized loss (gain) from marketable securities	16,858	(68,000)	
Common stock issued for services	-	15,000	
Change in assets and liabilities (excluding effects of acquisitions):			
Accounts receivable	-	225	
Inventory	(2,033,125)	7,990	(2,03
Prepaid expenses and other assets	(62,500)	6,824	
Accounts payable and accrued expenses	(538,155)	(90,343)	9
Deferred revenue	100,000	-	
Net cash used by operating activities	(4,770,874)	(421,138)	(4,85
Cash flows from investing activities			
Collections of notes receivable - officer	-	226,331	
Acquisition of Maxx Motorsports, Inc., net of cash acquired	-	(45,213)	
Proceeds from short-term investments	-	133,669	
Capital expenditures	(2,276)	(6,570)	(1,74
Net cash provided by (used in) investing activities	(2,276)	308,217	(1,74
Cash flows from financing activities			

Proceeds from exercise of warrants	37,500	-	
Proceeds from issuance of common stock	-	7,244,250	
Collection of notes receivable	350,000	240,000	
Funds advanced from parent	-	-	6,82
Repayment of capital lease obligation	(17,532)	-	(3
Funds transferred from (to) discontinued operations	-	7,216	
Net cash provided by financing activities	369,968	7,491,466	6,79
Net increase (decrease) in cash and cash equivalents from continuing operations	(4,403,182)	7,378,545	18
Cash and cash equivalents, beginning of period from continuing operations	4,675,745	-	
Cash and cash equivalents, end of period	$ 272,563	$ 7,378,545	$ 18

See accompanying notes to condensed consolidated financial statements.

TEAM SPORTS ENTERTAINMENT, INC. AND SUBSIDIARY
Notes to Condensed Consolidated Financial Statements
Six Months Ended June 30, 2002 and 2001
(Unaudited)

A. ACCOUNTING POLICIES

The financial statements included in this report have been prepared by Team Sports Entertainment, Inc. (the "Company" or "Team Sports") pursuant to the rules and regulations of the Securities and Exchange Commission for interim reporting and include all adjustments (consisting only of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation. These financial statements have not been audited.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such rules and regulations for interim reporting. The Company believes that the disclosures contained herein are adequate to make the information presented not misleading. However, these financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report for the year ended December 31, 2001, which is included in the Company's Form 10-KSB for the year ended December 31, 2001. The financial data for the interim periods presented may not necessarily reflect the results to be anticipated for the complete year.

Certain reclassifications of the amounts presented for the comparative period have been made to conform to the current presentation.

The consolidated financial statements include the accounts of Team Sports and its wholly owned subsidiary, Maxx Motorsports, Inc. ("Maxx") and its wholly owned subsidiary, Team Racing Auto Circuit, LLC ("TRAC"). All significant intercompany balances and transactions have been eliminated in consolidation. Maxx, through its wholly owned subsidiary, TRAC, plans to own, operate and sanction an automotive racing league designed to provide content for television and tracks while expanding the existing base of racing fans. Accordingly, the operations of Maxx and TRAC are presented as those of a development stage enterprise, from its inception, May 15, 2001, as prescribed by Statement of Financial Accounting Standards No. 7, "Accounting and Reporting by Development Stage Enterprises." The separate operations of Team Sports are not included as a development stage enterprise. The Company follows the AICPA SOP 98-5, "Reporting on the Costs of Start-Up Activities" in accounting for its start-up activities.

On May 15, 2001, Team Sports changed its name from Logisoft Corp. to Team Sports Entertainment, Inc.

On May 15, 2001 the Company acquired all of the common stock of Maxx Motorsports, Inc., a South Carolina corporation, in a tax-free stock exchange for 7,750,000 shares of the Company's common stock. In addition, as a part of this agreement, the Company issued 3,300,000 shares of its common stock in exchange for $450,000 of Maxx's liabilities and other obligations to third parties that were instrumental to the transaction. In addition, the Company completed the sale of its wholly owned subsidiaries, Logisoft Computer Products Corp. ("LCP") and eStorefronts.net Corp. ("eStorefronts"), who created global and localized Internet solutions for both traditional and pure e-business companies, to a group of its shareholders in exchange for 12,000,000 shares of the Company's common stock, which were cancelled. The operations from these business segments have been classified as discontinued operations in the accompanying financial statements.

INVENTORY. Inventory consists of the costs incurred on the Racing Car Design and Construction Agreement with Riley & Scott Race Car Engineering and other related costs. Costs are stated at the lower of cost or market on a first-in, first-out basis.

REVENUE. Recognition of revenue from race sanction agreements is deferred until the event occurs and is recognized ratably over the period covered by the agreement.

B. RECENTLY ADOPTED ACCOUNTING STANDARDS

On January 1, 2002, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets." As a result, the Company stopped recording the amortization of goodwill as a charge to earnings during the first quarter of 2002. In addition, the Company is required to conduct an annual review of goodwill and intangible assets for potential impairment. The Company is in the development stage and accordingly utilized projections from its business plan in order to complete its review and, based upon this review did not have to record a charge to earnings for an impairment of goodwill as a result of these new standards.

Effective January 1, 2002, the Company also adopted SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which replaces SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed Of." SFAS No. 144 provides updated guidance concerning the recognition and measurement of an impairment loss for certain types of long-lived assets, expands the scope of a discontinued operation to include a component of an entity and eliminates the exemption to consolidation when control over a subsidiary is likely to be temporary. The adoption of this new standard did not have a material impact on the Company's financial position, results of operations or cash flows.

C. INVENTORY AND COMMITMENTS

On October 22, 2001, TRAC entered into a Racing Car Design and Construction Agreement with Riley & Scott Race Car Engineering. The agreement required payments aggregating $1,515,000 during Phase I, which was 23 weeks, and included design, tooling, prototype construction and aero tooling. Phase II of the agreement commenced after completion of Phase I and was planned to be completed in 58 weeks. Phase II was based upon production of 100 Racing Cars, at a cost of approximately $109,000 each, plus the cost of engines. The agreement also provides for the contractor to be the sole provider of most repair service. Phase I of the agreement was completed during March 2002 and Phase II of the agreement commenced in April 2002. At June 30, 2002, the Company had incurred total costs of $2,033,125, which amount is included in inventory, for cars, engines and associated equipment, of which amount, $1,768,125 was paid and $265,000 was included in accounts payable at June 30, 2002. See "Note E - Subsequent Events."

D. RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2002, the Companies had various transactions with related parties, primarily its board members and officers. The following is a summary of those transactions:

Consulting expenses	$900,502
Director fees	51,000
Reimbursed aircraft expenses	60,491
Deferred revenue for Team Atlanta	100,000

E. SUBSEQUENT EVENTS

As of August 14, 2002, the Company had approximately $1.8 million in accounts payable and less than $20,000 in cash. Of the $1.8 million in accouunts payable, $1.5 million relates to the production of the TRAC racing cars. In the event TRAC's inaugural season is 2004, the car production payments would be resheduled. The Company has been seeking to raise additional cash, as debt or equity, to fund its operations, but to date has been unsuccessful. As a result of

non-payment by the Company, Riley & Scott has stopped production of TRAC's racing cars. The Company will continue to seek to raise cash to continue its operations and complete its business plan, but there can be no assurances it will be able to do so. If the Company is unable to raise the required cash in the next few weeks, it may be forced to terminate its operations and not continue as a going concern.
Even if the Company is successful in raising the required funds, it may be forced to delay its races until the 2004 season.

On August 6, 2002 the Company announced that Mr. Miller ceased serving as both the Company's Chief Executive Officer and Director. Although the terms of his departure have not been resolved, Mr. Miller retained the right to purchase Team Atlanta, subject to the completion and acceptance of definitive purchase agreements, as well as other ancillary matters.

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TRAC is presently negotiating with a national network to televise its races. There are numerous material issues to be resolved in the negotiations and there can be no assurances that an agreement will be reached.

On August 16, 2002 the Company received notice that Mr. Pritchett resigned his position as both the Company's President and Director.

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

From time to time, the Company may publish forward-looking statements relative to such matters as anticipated financial performance, business prospects, technological developments and similar matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. All statements other than statements of historical fact included in this section or elsewhere in this report are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act of 1934. Important factors that could cause actual results to differ materially from those discussed in such forward-looking statements include, but are not limited to, the following: the Company's current liquidity crisis as described below; changes in the economy or in specific customer industry sectors; changes in customer procurement policies and practices; changes in product manufacturer sales policies and practices; the availability of product and labor; changes in operating expenses; the effect of price increases or decreases; the variability and timing of business opportunities including acquisitions, alliances, customer agreements and supplier authorizations; the Company's ability to realize the anticipated benefits of acquisitions and other business strategies; the incurrence of debt and contingent liabilities in connection with acquisitions; changes in accounting policies and practices; the effect of organizational changes within the Company; the emergence of new competitors, including firms with greater financial resources than the Company; adverse state and federal regulation and legislation; and the occurrence of extraordinary events, including natural events and acts of God, fires, floods and accidents.

On May 15, 2001, the Company completed the acquisition of Maxx. Maxx, through its wholly owned subsidiary, TRAC plans to develop, own, operate, and sanction an automotive racing league (the "League") designed to provide content for television and tracks while expanding the existing base of racing fans. TRAC will initially consist of multi-car teams, strategically positioned in major North American television markets located near major motorsport venues. Each team will represent the city or state where it is located. The initial TRAC racing season, planned to start in the second quarter of 2003, will consist of a regular season race schedule, an all-star race, and a Championship Race. TRAC will incorporate the use of aerodynamically similar cars, fuel-injection engines and other innovative competition standards intended to increase parity among the teams without diminishing the entertainment value.

TRAC's business plan contemplates entering into Operating Agreements with up to ten third parties (the "Local Operators") to be identified by TRAC with respect to the local operations of a TRAC racing team but reserves the right to operate one or more teams itself. TRAC's liquidity crisis imperils its business

plan,as discussed below. Each Local Operator will pay a fee to TRAC to obtain the right to operate the team in its market. TRAC also hopes to generate revenues from national television, radio and other media agreements (including rights fees and/or revenue sharing from sales of advertising time), sales of national corporate sponsorships for the League and for League events (such as the Championship Race), sales of sponsorships of the teams for the races and license fees from sales of officially licensed merchandise. Finally, TRAC hopes to receive fees from additional operators to obtain the right to operate additional teams that may be organized beyond the original 10 teams ("expansion fees"). In addition to the rights fee payable to TRAC, TRAC expects to require each Local Operator to bear substantially all local expenses of operating the team, including the costs of all personnel (other than drivers) necessary to operate the team; drivers will be employees of TRAC and assigned to the teams. TRAC expects to enter into a lease for each racing venue. TRAC expects to require the Local Operator to be responsible for performing substantially all local operations of the team, including presenting its home races, marketing the team and selling tickets for the races, maintenance and repair of the cars, and payments under the leases for its racing venue. The rights to all local and national revenues will be owned by TRAC but the Local Operators will be entitled to retain all or a significant portion of certain local revenues (e.g., local ticket sales and local sponsorships) and to share in certain national revenues (e.g., television and radio licensing fees, national sponsorship and merchandise licensing revenue) and in the expansion fees paid to TRAC.

Through standardization of racing cars, TRAC hopes to create a racing environment in which each car is capable of winning and the fans will be focused on drivers, race-day strategies and crew performance, rather than technological advantages. We expect that our races will be shortened from the 4-5 hour window of current stock car races to a window that is more consistent with traditional team sports. Our business plan contemplates that cars will be based on silhouettes of popular American sport cars, will be approximately 900 pounds lighter than a NASCAR Winston Cup car and will have considerably more down-force, which should result in better handling, more passing and more intense racing than the other forms of oval-based stock car racing.

TRAC hopes that certain characteristics of its league will tap into a new potential fan base for motorsports.The traditional stock car fan base is less than 20% of the U.S. population, is generally concentrated in rural areas of the United States and has lower income levels than the fans of major team sports. TRAC's league format will put focus on city/regional affinities and provide a business model not currently present in motorsports. We expect that our marketing and positioning efforts, our competitive standards, our visually appealing cars, and our business model should appeal to a portion of the broader audience of sports fans, which generally is more affluent and more appealing to national advertisers than the traditional stockcar motorsports audience.

Our cars have been designed and developed by Riley & Scott Race Car Engineering as described below, and the prototypes have now been completed. As part of the development process our cars have been tested twice at the Langley Air Force Full Scale Wind Tunnel. The cars have also been tested successfully on multiple oval tracks and successfully crash-tested at C.A.P.E. in Indianapolis, Indiana. We have not yet formalized any definitive Operating Agreements with any team owners, although we have signed a non-binding letter of intent for Team Carolina and a letter of agreement with William Miller to own and operate Team Atlanta. The Company has also signed a contract with Moag & Company, an experienced sports team broker, to seek potential owners of the remaining teams.

TRAC announced in April 2002 an agreement in principle with Speedway Motorsports to race at five of their facilities. If team owner/operator agreements are entered into for ten markets, TRAC's inaugural season is expected to include two events each at Atlanta Motor Speedway, Bristol Motor Speedway, Las Vegas Motor Speedway, Lowe's Motor Speedway in Charlotte and Texas Motor Speedway in Fort Worth. The remaining five locations will be announced when arrangements have been completed.

TRAC is presently negotiating with a national network to televise its races. There are numerous material issues to be resolved in the negotiations and there can be no assurances that an agreement will be reached.

There can be no assurance that TRAC will be successful in entering into Operating Agreements with 10 Local Operators, in entering into a national television contract on satisfactory terms or in launching in 2003. See below.

In October 2001, the Company entered into an agreement with one of motorsports' most respected design and manufacturing companies to develop the race cars to be used during TRAC's first season. Riley & Scott Race Car Engineering, the company that has produced championship designs in virtually every major form of motorsports, will design and manufacture approximately 100 cars at their manufacturing facility in Indianapolis, Indiana. The cars will be high-performance, muscle cars designed to race competitively on a variety of oval tracks. The cars will be designed with high safety standards and will be designed distinctively for the purpose of creating visual appeal to attract a broader demographic audience to stock car racing. The agreement between TRAC and Riley & Scott required payments aggregating approximately $1,515,000 during Phase I, which was 23 weeks and included design, tooling, prototype construction and aero tooling. Phase II of the agreement commenced after completion of Phase I and was planned to be completed within 58 weeks. Phase II was based upon production of 100 racing cars, at a cost of approximately $109,000 each, plus the cost of engines. TRAC has the right, by notice to Riley & Scott, to reduce the number of cars to be produced during Phase II, but at an increased price per car. The agreement also provides for Riley & Scott to be the sole provider of most major repair services. Phase I was financed by the Company's cash on hand; Phase II was expected to be funded by cash on hand and fees expected to be received under Operating Agreements expected to be entered into with Local Operators.

During March 2002, TRAC completed payment to Riley & Scott for Phase I of the agreement. Prototypes of the three cars successfully completed their first track testing at Indianapolis Raceway Park on April 16, 2002 and the prototypes were unveiled to the public on April 24, 2002. Phase II of the agreement commenced during April 2002 and at June 30, 2002, costs aggregating $2,010,781 for cars and engines had been incurred. Of this amount, $265,000 is included in accounts payable at June 30, 2002 and the balance has been paid. However, as a result of the Company's lack of cash as described below, the Company has fallen further behind in payments to Riley & Scott and as a result Riley & Scott has stopped production of TRAC's cars.

During the six months ended June 30, 2002, the Company used $4,770,874 in cash flow in their operating activities; investing activities used

$2,276 in cash flow; and financing activities provided $369,968 in cash flow, resulting in a net decrease in cash of $4,403,182, leaving a cash balance of $272,563 at June 30, 2002. During the quarter ended June 30, 2002, the Company made payments of $2,010,781 on Phase II of the agreement with Riley & Scott, including payments for engines.

Selling, general and administrative expense includes a charge for $480,000 which is the amount the Company had prepaid Mr. Miller for compensation for the ten month period beginning July 2002. As a result of Mr. Miller's departure from the Company, it is presently evaluating its options to pursue return of a portion of the prepayment.

As of August 14, 2002, the Company had approximately $1.8 million in accounts payable and less than $20,000 in cash. Of the $1.8 million in accouunts payable, $1.5 million relates to the production of the TRAC racing cars. In the event TRAC's inaugural season is 2004, the car production payments would be resheduled.

The Company has been seeking to raise additional cash,as debt or equity, to fund its operations, but to date has been unsuccessful. As a result of non-payment by the Company, Riley & Scott has stopped production of TRAC's racing cars. The Company will continue to seek to raise cash to continue its operations and complete its business plan, but there can be no assurances it will be able to do so. If the Company is unable to raise the required cash in the next few weeks, it may be forced to terminate its operations. Even if the Company is successful in raising the required funds, it may be forced to delay its races until the 2004 season.

The Company has included $100,000 in deferred revenue relating to the payment by Mr. Miller for the rights to Team Atlanta.

The operations of Maxx and TRAC are presented as those of a development stage enterprise, from its inception, May 15, 2001. The separate operations of Team Sports are not included as a development stage enterprise.

DISCONTINUED OPERATIONS

As a part of the acquisition of Maxx, the Company was required to sell its interest in its wholly owned subsidiaries, LCP and eStorefronts to a group of its shareholders in exchange for 12,000,000 shares of its common stock. This transaction was also completed on May 15, 2001 and the shares were cancelled.

During the six months ended June 30, 2001, the Company had a loss in the amount of $1,380,770 from operations of the discontinued operations.

PART II - OTHER INFORMATION

ITEM 5. OTHER INFORMATION

On August 6, 2002 the Company announced that Bill Miller is no longer the Company's Chief Executive Officer or a Director of the Company's Board.

On August 16, 2002 the Company received notice that Jon Pritchett had resigned as the Company's President and as a Director of the Company's Board.

ITEM 6.EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits - Not applicable
(b) Reports on Form 8-K - Not applicable

SIGNATURE

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.

TEAM SPORTS ENTERTAINMENT, INC.

Date: August 19, 2002 By: /s/ Terry Washburn

Terry Washburn

Chief Financial Officer and
Principal Accounting Officer

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the accompanying Condensed Consolidated Financial Statements on Form 10-QSB of Team Sports Entertainment, Inc. for the three and six month periods ended June 30, 2002 (the "Periodic Report"), I, Terry Hansen , Acting Chief Executive Officer, and I, Terry Washburn, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge, the Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 19, 2002 By: /s/ Terry Hansen

Terry Hansen
Acting Chief Executive Officer

Date: August 19, 2002 By: /s/ Terry Washburn

Terry Washburn
Chief Financial Officer