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

Form 8-K/A

CURRENT REPORT

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

Date of Report (Date of earliest event reported) June 20, 2004

SALESTACTIX, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	0-26285	87-0419387
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

18101 Von Karman Avenue, Suite 330, Irvine, CA 92612
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: 888 798-9200

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(Former name or former address, if changed since last report.)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

Disclaimer Regarding Forward Looking Statements

Certain statements contained in the following description of the business and operation of SalesTactix, Inc. (formerly known as Age Research, Inc. (the "**Company**")) and its subsidiaries which are not statements of historical fact are what is known as "forward-looking statements," which are basically statements about the future, and which for that reason involve risk and uncertainty, since no one can accurately predict the future. Words such as "plans," "intends," "seeks," "anticipates," "expects," "goal, "hopes" and "objective" 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 of the plans and objectives of the Company's management with respect to its present and future operations, 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 to fail to successfully implement such plans or achieve such objectives, or to cause such present and future operations to fail to produce revenues, income or profits.

Except as otherwise noted in this amended report on Form 8-K, "SalesTactix" the "Company," "we," "us" and "our" collectively refer to SalesTactix, Inc. and our subsidiaries.

Acquisition of NBD Marketing, Inc., ProspectWorks, Inc., SalesWare, Inc., and xSellsys, Inc.

As previously discussed by the Company in a Form 8-K filed with the Securities and Exchange Commission (the "**Commission**") on June 24, 2004, the Company has acquired, in a series of acquisitions (collectively, the "**Acquisitions**"), all of the outstanding capital stock of NBD Marketing, Inc., a California corporation ("**NBD**"), and SalesWare Inc., a Nevada corporation ("**SalesWare**"), and has formed an acquisition subsidiary, xSellsys, Inc., a California corporation ("**xSellsys**"), to acquire substantially all of the assets and liabilities of CRM SalesWare, Inc., a California corporation ("**CRM SalesWare**"). As a result of the consummation of the above transactions, as further described below (collectively, the "**Transactions**"), SalesWare, NBD, and xSellsys became wholly-owned subsidiaries of the Company, and ProspectWorks, Inc., a Nevada corporation and a subsidiary of NBD ("**ProspectWorks**" together with SalesWare, NBD, and xSellsys, the "**Acquired Companies**"), became an indirect, wholly-owned subsidiary of the Company. The Company is filing this amendment to the Form 8-K to provide additional information about the Acquired Companies and the financial statements as required by the rules and regulations promulgated by the Commission.

Acquisition of NBD and Its Wholly-Owned Subsidiary, ProspectWorks

On June 21, 2004, the Company acquired all of the issued and outstanding common stock of NBD pursuant to the terms and conditions of that certain Stock Purchase Agreement, dated June 21, 2004 (the "**NBD Agreement**"). Under the NBD Agreement, the Company issued 7,500,000 shares of its common stock to the NBD shareholders in exchange for all of the outstanding shares of NBD. Of the 7,500,000 shares issued, 7,350,000 shares were issued to Thomas Ketchum and Jennie J. Ketchum, the controlling shareholders of NBD, with the remaining 150,000 shares issued equally to two minority shareholders of NBD. The 7,500,000 shares issued under the NBD Agreement will bear a restrictive legend, and represent, as of June 24, 2004, approximately 30.7% of the Company's outstanding shares. No funds, loans or pledges of any kind were involved in the transaction. This was a stock-for-stock transaction.

Prior to, and in connection with the NBD Transaction, NBD acquired all of the outstanding shares of ProspectWorks in exchange for the issuance of 340 shares of NBD common stock to the shareholders of ProspectWorks pursuant to the terms and conditions of that certain Stock Purchase Agreement, dated June 20, 2004.

As a result of the above transactions, NBD became a wholly-owned subsidiary of the Company and ProspectWorks became its indirect, wholly-owned subsidiary.

Acquisition of SalesWare

On June 21, 2004, the Company acquired all of the issued and outstanding common stock of SalesWare pursuant to the terms and conditions of that certain Stock Purchase Agreement, dated June 21, 2004 (the "**SalesWare Agreement**"). Under the SalesWare Agreement, the Company issued 7,000,000 shares of its common stock to the sole shareholders of SalesWare, Vincent Michael Keyes III, Michael Isco and William Noonan, in exchange for all of the outstanding shares of SalesWare. Mr. Keyes and Mr. Isco each received 2,500,000 shares and Mr. Noonan received 2,000,000 shares. The 7,000,000 shares issued under the SalesWare Agreement will bear a restrictive legend, and represent, as of June 24, 2004, approximately 28.7% of the Company's outstanding shares. No funds, loans or pledges of any kind were involved in the transaction. This was a stock-for-stock transaction. As a result of the transaction, SalesWare became a wholly-owned subsidiary of the Company.

Acquisition of xSellsys

On June 22, 2004, the Company acquired substantially all of the assets and liabilities of CRM SalesWare through its acquisition subsidiary, xSellsys. xSellsys acquired substantially all of the assets and liabilities of CRM SalesWare pursuant to the terms and conditions of that certain Asset Purchase Agreement, dated June 21, 2004 (the "**CRM SalesWare Agreement**"). Under the CRM SalesWare Agreement, xSellsys acquired substantially all of the assets and liabilities of CRM SalesWare in exchange for the issuance of 1,000 shares of its common stock, constituting 100% of its issued and outstanding shares, to CRM SalesWare. Shortly thereafter, the Company acquired all of the outstanding shares of xSellsys pursuant to the terms and conditions of that certain Stock Purchase Agreement, dated June 22, 2004 (the "**xSellsys Agreement**"). Under the xSellsys Agreement, the Company issued 3,000,000 shares of its common stock to CRM SalesWare, the sole shareholder of xSellsys, in exchange for all of the outstanding shares of xSellsys. CRM SalesWare intends to distribute the shares of the Company's common stock it acquired to its thirteen shareholders, none of whom own a majority of the outstanding shares of CRM SalesWare. The 7,500,000 shares issued under the xSellsys Agreement will bear a restrictive legend, and represent, as of June 24, 2004, approximately 12.3% of the Company's outstanding shares. No funds, loans or pledges of any kind were involved in the transaction. The xSellsys and CRM SalesWare transactions were a stock-for-stock and stock-for-asset transaction, respectively.

Business Overview

Corporate History

We were incorporated on July 10, 1984, under the name Mammon Oil & Gas, Inc., or Mammon, in the state of Utah. In February 1986, Mammon's shareholders approved proposals to change our business direction to the business of health care including research, development and marketing, and a name change to Volt Research, Inc. From August 1986 to August 1988, we engaged in operating clinics dedicated to Retin-A skin therapy. In August 1988, our management decided to phase out our clinic operations and concentrate on selling our expertise and skin care products directly to physicians. On January 1, 2004, we discontinued our business activities and operations and, since that date until our acquisition of NBD Marketing, Inc., ProspectWorks, Inc., SalesWare, Inc. and xSellsys, Inc. in June 2004, we had no revenues or earnings from operations.

Our Business

Following completion of our acquisitions of the Acquired Companies, we ceased our prior business operations, but intend to continue, and to expand, the business of Acquired Companies. NBD Marketing's ProspectWorks operation and software platform develops and provides sales opportunities in the form of sales leads and sales appointments for its client company's sales forces. CRM Salesware has developed and markets a Linux based hosted sales force automation (SFA) software platform branded as xSellsys. Salesware, Inc. is a sales organization selling sales force automation solutions and sales training nationally. These businesses combine to offer a unique hosted sales force automation solution for small businesses selling to businesses. The business is unique in its development and delivery of sales leads and sales appointment opportunities managed through a proprietary, hosted software system designed to move opportunities through a client's sales process to become customers for our clients. The turn key solution is designed for business to business selling.

SalesTactix Overview

SalesTactix is a provider of hosted sales force automation services. The hosted sales force automation solution provides an infrastructure that allows sales groups of any size to find, prospect and close more business. The methodologies and work flow has been designed around the business to business selling cycle starting with how a sales organization handles leads and prospect opportunities and moves them to become new customers. The hosted solution moves new clients into and through the business as a comprehensive customer relationship management, or CRM solution for our clients. Our hosted solution is designed to provide a low cost and simple to use application accessed through a conventional Web browser. Our hosted delivery infrastructure provides our clients a very low cost of entry into customer relationship management through our hosted sales force automation solution with none of the development and customization costs typical of enterprise software and the hidden costs associated with implementation with their business.

Industry Background

Enterprise Software Marketplace

Enterprise software has been focused differently for large businesses than it has been for mid size to small business markets. Every industry sector and sub sector has a number of software firms that have a high level of intimacy with the subtleties of the sector, the sectors language and business issues. These niche software firms have developed enterprise application such as accounting and billing platforms which address specific business and operational needs common to that sector but allow for some specific user demands which are treated as customization and are typically part of the cost of implementation. Less typical enterprise software application for mid to small business are areas such as enterprise resource planning, or ERP, and CRM. There are continued offerings to bring "large company" tools into smaller businesses by and through the same industry specific niche software providers. These are typically sold as a value added or enhanced version of the platform or application the business is presently using. The demand for more function has created friction for the niche enterprise software provider and user business which include a much higher cost to own, operate and maintain the software as well as the cost and complexity of allowing disparate systems, equipment, user groups and individual users access the same information.

The use of a hosted environment or co located alternative to client side software now allows many enterprise software firms to deploy, maintain, upgrade and monitor an enterprise software application for their clients through a direct internet connection with the application. This has also caused these same providers to rethink function and work flow to allow for more ease of use for their clients.

Hosted Application Services

The Internet has changed business in profound ways with increased bandwidth and ease of access. The simple email application has made businesses of every size highly dependant on connectivity to keep pace. This dependency has created an opportunity for the sector specific niche software providers who have heretofore been less noteworthy participants in their industry niche and having no user legacy to convert have been able to reinvent and re-deploy what they know about their niche through a simple Internet-based user interface. This gives these former low level sector participants a new advantage of not only knowing the subtleties of the industry niche but now a simple to use and easy to deploy advantage to their target business customer. This means low cost and high scalability for business users.

Our Opportunity

Our goal is to become the preferred provider of hosted sales force automation. Our focus is on the sales process exclusively. Our proprietary application has been developed by sales people for sales people with a focus on closing more opportunity. The management tools are powerful, allowing sales management to start, train and make immediate course corrections of sales teams, on a national, regional or individual basis. Our easy to access, easy to use delivery methodology allows sales representatives to keep connected to specific product training, personal sales development tools and every aspect of the prospect and client opportunities they are working on, all without client side software. Our deployment process reviews what our client sells, to who they sell and who does the selling to assure their own language and process are recognized in the application. Our goal is to enable clients to better find, track and close more business. Our platform provides an easy start and high scalability to our clients with minimal initial investment in software, hardware or implementation.

Description of Services and Products

SalesTactix is a provider of hosted sales force automation services. The hosted sales force automation solution provides an infrastructure that allows sales groups of any size to find, prospect and close more business. The methodologies and work flow have been designed around the business to business selling cycle starting with how a sales organization handles leads and prospect opportunities and moves them to become new customers. The hosted solution moves new clients into and through the business as a comprehensive customer relationship management, or CRM solution for our clients. Our hosted solution is designed to provide a low cost and simple to use application accessed through a conventional Web browser. Our hosted delivery infrastructure provides our clients a very low cost of entry into customer relationship management through our hosted sales force automation solution with none of the development and customization costs typical of enterprise software and the hidden costs associated with implementation with their business.

Sales and Marketing

We market directly to sales managers and senior business management. Our target market is that of sales organizations for small to mid sized businesses. We do sell to larger businesses with specific sales operations requiring our solution. We employ our own sales force to sell our target clients. We from time to time may allow groups to resell or co-brand our software for strategic selling reasons. We develop and produce our own marketing and sales materials in house which support our sales agenda. We have several large clients which represent more than 10% of our sales. The loss of any of these clients represents a significant risk to our company.

Suppliers

We have a primary data center alliance for the collocation of our servers. Despite redundancy of our data and server systems any environmental, legal, or other cause beyond our control such as an act of nature or criminal destruction of these facilities and equipment, could result in a serious loss for our company. We have made contingencies for such a loss but there are no sureties that our contingencies will prevent significant loss to the business in the event of data center or server destruction.

Competition

The market for our products and services is highly competitive and there are no substantial barriers to entry. Our competitors include, but are not limited to, Salesforce.com, SalesNet Inc. and NetSuite Inc. We expect that competition will intensify and that new competitors may enter the market in the future. Increased competition may result in reduce profit margins on our products and services. In addition, many of our competitors have longer operating histories, larger customer bases, longer relationships with clients, and significantly greater financial, technical, marketing, and public relations resources than us. Our ability to compete in our markets depends on a number of factors, some within and others outside our control. These factors include: brand awareness and market presence; the frequency and success of product and services introductions by us and by our competitors; the selling prices of our products and services and of our competitors' products and services; the performance of our products and of our competitors' products; our marketing ability and the marketing ability of our competitors; the quality of customer support offered by us and by our competitors; and industry and general economic trends.

Technology, Research and Development

SalesTactix is a provider of hosted sales force automation services. Our hosted solution is designed to provide a low cost and simple to use application accessed through a conventional Web browser. Our hosted delivery infrastructure provides our clients a very low cost of entry into customer relationship management through our hosted sales force automation solution with none of the development and customization costs typical of enterprise software and the hidden costs associated with implementation with their business. Our software and server are collocated in a primary tier 1 data center located in Virginia. The data center is engineered to the highest levels, with extensive systems to address security and network redundancy. Access to data centers is restricted by two-factor authentication including Biometric hand scanners. The data center is physically isolated from everyone but level three technicians. Public access is strictly forbidden. All entrances and common areas are monitored 24x7 via closed-circuit cameras.

Power systems are designed to run uninterrupted even in the unlikely event of a total power outage. All servers are fed with conditioned UPS (Uninterruptible Power Supply) power that will run if utility power fails. The UPS power subsystem is N+1 redundant with instantaneous failover in case the primary UPS fails. In the event of an extended power outage, on-site diesel generators can run indefinitely.

We use only fully redundant, enterprise-class routing equipment housed in its own secure, core routing room and fed with its own redundant power supply. Our fiber carriers enter the facilities at disparate access points to ensure that there is no service failure, even in the unlikely event of a fiber cut.

Patents, Trademarks And Licenses

We have applied for or have patents for xSellsys.com, xSellsys CRM, My Status Card, and SAMsys. Although we believe we have obtained common law rights through the use of the name "SalesTactix" in connection with our business that are independent of the United States Patent and Trademark Office registration process, our failure to obtain proprietary protection in the future for the use of the name "SalesTactix" could negatively affect our operations.

We are not aware of any claims of infringement against us regarding our products or proprietary rights, nor have we made any claims against anyone asserting a violation of our intellectual property rights. Any future claims against us asserting infringement by us of third-party proprietary rights, even if not meritorious, could cause us to expend significant financial and managerial resources or even result in injunctions preventing us from distributing our products unless we obtain license rights which could be costly or may not be available on reasonable terms, if at all.

Employees

We currently employ 9 full-time equivalent employees and 3 part-time employees. None of our employees is represented by a labor union. We consider our relationship with our employees to be good.

Description of Property

Our executive and principal office located at 18101 Von Karman Ave, Ste. 330, Irvine, CA, 92612. We believe that our current premises provide sufficient space for our business operations and have no current plans to expand our facilities. We also have a call center that occupies 1,373 square feet and is located at 2001 East Fourth Street, Santa Ana, CA

Legal Proceedings

We are not a party to any material legal proceedings.

RISKS AND UNCETAINTIES

Our business, and the value of our common stock, is affected by certain risks and uncertainties, some of which include the following:

Our business prospects must be considered in light of the risks and uncertainties we face as an early-stage company entering into a new and evolving market.

We were formed as a result of a series of acquisitions completed in June of 2004. Therefore, we have a limited operating history and our business and prospects must be considered in light of the risks and uncertainties in an early-stage company entering into a new and evolving market. These risks and difficulties include the following:

- our ability to distribute, sell and market our services;
- our new and unproven business and technology models;
- the appeal of our services to our customers;
- the significant and ongoing funds needed to achieve our sales and marketing objectives;
- our ability to generate adequate revenue to support our operations;
- our ability to manage growth in personnel and operations; and
- the loss or injury of key personnel.

We may not be able to successfully address any of these risks or others, including the other risks related to our business and industry described below. Failure to adequately do so could seriously harm our business and cause our operating results to suffer.

In addition, as a result of our limited operating history, our historical financial and operating information is of limited value in predicting our future operating results. We may not accurately forecast customer behavior and recognize or respond to emerging trends, changing preferences or competitive factors facing us, and, therefore, we may fail to make accurate financial forecasts.

We Have Historically Lost Money And Losses May Continue In The Future, Which May Cause Us To Curtail Operations.

Since our inception, we have not been profitable and we may not be profitable in the future. We may continue to incur losses on a quarterly or annual basis for a number of reasons, some within and others outside our control. In addition, we expect our operating expenses to increase in the future as we expand our operations. If our revenue does not grow to offset these expected increased expenses, we will not become profitable. No assurances can be given that we will be successful in reaching or maintaining profitable operations. Accordingly, we may experience liquidity and cash flow problems. If our losses continue, our ability to operate may be severely impacted.

If We Are Unable To Secure Future Capital, We Will Be Unable To Continue Our Operations.

The growth of our business will require the commitment of substantial capital resources. We have not been profitable in our operations. If funds are not available from operations, we will need additional funds. We may seek such additional funding through public and private financing, including debt or equity financing. Adequate funds for these purposes, whether through financial markets or from other sources, may not be available when we need them. Even if funds are available, the terms under which the funds are available to us may not be acceptable to us. Insufficient funds may require us to delay, reduce or eliminate some or all of our planned activities.

Our Independent Auditors Have Noted In Their Opinion That We Have Suffered Recurring Losses, Which Raises Substantial Doubt About Our Ability To Continue As A Going Concern.

To successfully execute our current strategy, we will need to improve our working capital position. The report of our independent auditors accompanying our financial statements for the year ended December 31, 2003 and the notes to our unaudited financial statements for the period ending June 30, 2004, however, includes an explanatory paragraph indicating there is a substantial doubt about the Company's ability to continue as a going concern due to recurring losses. We plan to overcome the circumstances that impact our ability to remain a going concern through a combination of increased revenues and decreased costs, with interim cash flow deficiencies being addressed through additional debt and/or equity financing. There can be no assurances that these plans will be successful.

We Are Subject to Price Volatility Due to Our Operations Materially Fluctuating.

As a result of the evolving nature of the markets in which we compete, as well as the current nature of the public markets and our current financial condition, we believe that our operating results may fluctuate materially, as a result of which quarter-to-quarter comparisons of our results of operations may not be meaningful. If in some future quarter, whether as a result of such a fluctuation or otherwise, our results of operations fall below the expectations of investors, the trading price of our common stock would likely be materially and adversely affected. You should not rely on our results of any interim period as an indication of our future performance. Additionally, our quarterly results of operations may fluctuate significantly in the future as a result of a variety of factors, many of which are outside our control. Factors that may cause our quarterly results to fluctuate include, among others:

- our ability to retain existing customers;
- our ability to attract new customers at a steady rate;
- our ability to maintain customer satisfaction;
- the extent to which our products and services gain market acceptance;
- introductions of products and services by competitors;
- price competition in the markets in which we compete;
- our ability to attract, train, and retain skilled management,
- the amount and timing of operating costs and capital expenditures relating to the expansion of our business, operations, and infrastructure; and
- general economic conditions and economic conditions specific to our industry.

If our services are not widely accepted, our operating results will be harmed.

The market for on-demand application services is new and unproven, and it is uncertain whether these services will achieve and sustain high levels of demand and market acceptance. Our success will depend to a substantial extent on the willingness of enterprises to increase their use of on-demand application services in general, and for hosted sales force automation services in particular. Many enterprises have invested substantial personnel and financial resources to integrate traditional enterprise software into their businesses, and therefore may be reluctant or unwilling to migrate to on-demand application services. Furthermore, some enterprises may be reluctant or unwilling to use on-demand application services because they have concerns regarding the risks associated with security capabilities, among other things, of the technology delivery model associated with these services. If enterprises do not perceive the benefits of on-demand application services, then the market for these services may not develop at all, or it may develop more slowly than we expect, either of which would significantly adversely affect our operating results.

Other factors, many of which are beyond our control, that may affect market acceptance of our service include:

- our limited operating history;
- development of our brand recognition;
- the price and performance of our service;
- the level of customization we can offer; and
- the availability, performance and price of competing products and services.

The inability of our service to achieve widespread market acceptance would harm our business. In addition, as a new company in this unproven market, we have limited insight into trends that may develop and affect our business. We may make errors in predicting and reacting to relevant business trends, which could harm our business.

Our limited operating history may impede acceptance of our service.

Our ability to increase revenue and reach and maintain profitability depends, in large part, on widespread acceptance of our service and technology. Our efforts to sell to our customers may not be successful. In particular, because we are a new emerging company with a limited operating history, our customers may have concerns regarding our viability and may prefer to purchase critical hosted sales force automation applications from one of our larger, more established competitors. Even if we are able to sell our service to these types of customers, they may insist on additional assurances from us that we will be able to provide adequate levels of service, which could harm our business.

The market in which we participate is intensely competitive, and if we do not compete effectively, our operating results could be harmed.

The market for CRM applications and hosted sales force automation is intensely competitive and rapidly changing, barriers to entry are relatively low, and with the introduction of new technologies and market entrants, we expect competition to intensify in the future. Our current principal competitors include Salesforce.com, SalesNet Inc. and NetSuite Inc. We also face competition from businesses that develop their own sales force automation applications internally, as well as from enterprise software vendors and online service providers who may develop and/or bundle sales force automation products with their products in the future. We also face competition from some of our larger and more established competitors who historically have been packaged hosted sales force and CRM software vendors, but who are developing directly competitive on-demand hosted sales force and CRM application services offerings, such as Siebel Systems through Siebel CRM OnDemand. Many of our competitors have longer operating histories, greater name recognition, larger customer bases, longer relationships with clients, and significantly greater financial, technical, marketing, and public relations resources than us. As a result, our competitors may engage in substantial advertising and promotion, attract a greater number of customers and business, and be able to respond more quickly and effectively to new or changing opportunities, technologies, standards or customer requirements than we can. Furthermore, because of these advantages, even if our service is more effective than the products that our competitors offer, potential customers might accept competitive products and services in lieu of purchasing our service. In addition, pricing pressures and increased competition generally could result in reduced sales, reduced margins or the failure of our service to achieve or maintain more widespread market acceptance, any of which could harm our business. For all of these reasons, we may not be able to compete successfully against our current and future competitors.

If our security measures are breached and unauthorized access is obtained to a customer's data, our service may be perceived as not being secure and customers may curtail or stop using our service.

Our service involves the storage and transmission of customers' proprietary information, and security breaches could expose us to a risk of loss of this information, litigation and possible liability. If our security measures are breached as a result of third-party action, employee error, malfeasance or otherwise, and, as a result, someone obtains unauthorized access to one of our customers' data, our reputation will be damaged, our business may suffer and we could incur significant liability. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed and we could lose sales and customers.

Defects in our service could diminish demand for our service and subject us to substantial liability.

Because our service is complex, it may have errors or defects that users identify after they begin using it, which could harm our reputation and our business. Since our customers use our service for important aspects of their business, any errors, defects or other performance problems with our service could hurt our reputation and may damage our customers' businesses. If that occurs, customers could elect not to renew, or delay or withhold payment to us, we could lose future sales or customers may make warranty claims against us, which could result in an increase in our provision for doubtful accounts, an increase in collection cycles for accounts receivable or the expense and risk of litigation.

Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand.

If we fail to protect our intellectual property rights adequately, our competitors might gain access to our technology, and our business might be harmed. In addition, defending our intellectual property rights might entail significant expense. Any of our intellectual property rights may be challenged by others or invalidated through administrative process or litigation. Furthermore, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to us in every country in which our service is available. The laws of some foreign countries may not be as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights may be inadequate. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property.

We might be required to spend significant resources to monitor and protect our intellectual property rights. We may initiate claims or litigation against third parties for infringement of our proprietary rights or to establish the validity of our proprietary rights. Any litigation, whether or not it is resolved in our favor, could result in significant expense to us and divert the efforts of our technical and management personnel.

We may be sued by third parties for alleged infringement of their proprietary rights.

The software and Internet industries are characterized by the existence of a large number of patents, trademarks and copyrights and by frequent litigation based on allegations of infringement or other violations of intellectual property rights. As the number of entrants into our market increases, the possibility of an intellectual property claim against us grows. Our technologies may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time-consuming and expensive to litigate or settle, and could divert management attention from executing our business plan.

We Could Fail To Attract Or Retain Key Personnel, Which Could Be Detrimental To Our Operations

Our success is heavily dependent on the efforts, abilities and continued active participation of our senior management. The loss of the services of these individuals, and other principal design or technical staff, would diminish our ability to deliver signature work that our clients desire and otherwise severely harm our business because of their irreplaceable skills and experience. We do not maintain "key person" life insurance on our key personnel. We also have other key employees who manage our operations and if we were to lose their services, senior management would be required to expend time and energy to replace and train their replacements. To the extent that we are smaller than our competitors and have fewer resources we may not be able to attract the sufficient number and quality of staff. There can be no assurance that we will be able to recruit or retain other qualified personnel, should it be necessary to do so.

Our success is dependent upon our ability to effectively manage the growth of our operations.

Our success will depend in part upon the ability of our senior management to manage our growth effectively. To do so, we must continue to hire, train and manage new employees as needed. If our new hires perform poorly, or if we are unsuccessful in hiring, training, managing and integrating these new employees, or if we are not successful in retaining our existing employees, our business may be harmed. To manage the expected growth of our operations and personnel, we will need to continue to improve our operational, financial and management controls and our reporting systems and procedures. The additional headcount and capital investments we intend on adding will increase our cost base, which will make it more difficult for us to offset any future revenue shortfalls by offsetting expense reductions in the short term. If we fail to successfully manage our growth, we will be unable to execute our business plan.

The concentration of our capital stock ownership with insiders will likely limit your ability to influence corporate matters.

Our executive officers, directors, current 5 percent or greater stockholders and affiliated entities will together beneficially own more than a majority of our common stock outstanding. As a result, these stockholders, acting together, will have control over most matters that require approval by our stockholders, including the election of directors and approval of significant corporate transactions. Corporate action might be taken even if other stockholders oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control of our company that other stockholders may view as beneficial.

We Have Never Paid Dividends on Our Common Stock and You May Never Receive Dividends.

We have not paid any cash dividends on our common stock to date and we do not anticipate paying cash dividends in the foreseeable future. We intend to retain earnings, if any, to finance the development and expansion of our business. Future dividend policy will be at the discretion of our Board of Directors and will be contingent upon future earnings, if any, our financial condition, capital requirements, general business conditions and other factors. There can be no assurance that cash dividends of any kind will ever be paid.

Our Common Stock May Be Affected By Limited Trading Volume And May Fluctuate Significantly, Which May Affect Our Shareholders' Ability To Sell Shares Of Our Common Stock

There has been a limited public market for our common stock and there can be no assurance that a more active trading market for our common stock will develop. An absence of an active trading market could adversely affect our shareholders' ability to sell our common stock in short time periods, or possibly at all. Our common stock has experienced, and is likely to experience in the future, significant price and volume fluctuations, which could adversely affect the market price of our common stock without regard to our operating performance. In addition, we believe that factors such as quarterly fluctuations in our financial results and changes in the overall economy or the condition of the financial markets could cause the price of our common stock to fluctuate substantially. These fluctuations may also cause short sellers to enter the market from time to time in the belief that we will have poor results in the future. We cannot predict the actions of market participants and, therefore, can offer no assurances that the market for our stock will be stable or appreciate over time. These factors may negatively impact shareholders' ability to sell shares of our common stock.

Because Our Stock Is Considered A Penny Stock, Any Investment In Our Stock Is Considered To Be A High-Risk Investment And Is Subject To Restrictions On Marketability.

Trading of our common stock is conducted over-the-counter through the NASD Electronic Bulletin Board and covered by Rule 15g-9 under the Securities Exchange Act of 1934. Under this rule, broker/dealers who recommend these securities to persons other than established customers and accredited investors must make a special written suitability determination for the purchaser and receive the purchaser's written agreement to a transaction prior to sale. Securities are exempt from this rule if the market price is at least $5.00 per share.

The Securities and Exchange Commission adopted regulations that generally define a "penny stock" as any equity security that has a market price of less than $5.00 per share. Additionally, if the equity security is not registered or authorized on a national securities exchange or the NASDAQ and the issuer has net tangible assets under $2,000,000, the equity security also would constitute a "penny stock." Our common stock does constitute a penny stock because our common stock has a market price less than $5.00 per share and our common stock is not quoted on Nasdaq. As our common stock falls within the definition of penny stock, these regulations require the delivery, prior to any transaction involving our common stock, of a disclosure schedule explaining the penny stock market and the risks associated with it. Furthermore, the ability of broker/dealers to sell our common stock and the ability of shareholders to sell our common stock in the secondary market may be limited. As a result, the market liquidity for our common stock is adversely affected. We can provide no assurance that trading in our common stock will not be subject to these or other regulations in the future, which may negatively affect the market for our common stock. Furthermore, this lack of liquidity also may make it more difficult for us to raise capital in the future.

Future Acquisitions May Disrupt Our Business And Deplete Our Financial Resources

Any future acquisitions we make could disrupt our business and seriously harm our financial condition. While we have no current agreements to do so, we may consider investments in complementary companies and products. In the event of any future acquisitions, we may:

- issue stock that would dilute our current stockholders' percentage ownership;
- incur debt;
- assume liabilities;
- incur amortization expenses related to goodwill and other intangible assets; or
- incur large and immediate write-offs.

The use of debt or leverage to finance our future acquisitions should allow us to make acquisitions with an amount of cash in excess of what may be currently available to us. If we use debt to leverage up our assets, we may not be able to meet our debt obligations if our internal projections are incorrect or if there is a market downturn. This may result in a default and the loss in foreclosure proceedings of the acquired business or the possible bankruptcy of our business.

Our operation of any acquired business will also involve numerous risks, including:

- integration of the operations of the acquired business and its products;
- unanticipated costs and potential write-offs of acquired assets;
- diversion of management's attention from our core business;
- adverse effects on existing business relationships with suppliers and customers;
- risks associated with entering markets in which we have limited prior experience;
- potential loss of key employees, particularly those of the purchased organizations; and
- inability to generate sufficient revenue to offset acquisition or investment costs..

In addition, if we finance acquisitions by issuing convertible debt or equity securities, our existing stockholders may be diluted which could affect the market price of our stock. As a result, if we fail to properly evaluate and execute acquisitions or investments, our business and prospects may be seriously harmed.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

Financial Statements

Audited financial statements of the Acquired Companies for the years ended December 31, 2003 and 2002 are filed as Exhibit 99.1

Unaudited pro forma financial statements of the Company for the year ended December 31, 2003, giving effect to the Acquisitions, are filed as Exhibit 99.2

Unaudited financial statements of the Company for the three and six months ended June 30, 2004, giving effect to the Acquisitions, are filed as Exhibit 99.3.

Exhibits

Exhibit 99.1	Audited financial statements of the Acquired Companies for the years ended December 31, 2003 and 2002.
Exhibit 99.2	Unaudited pro forma financial statements of the Company for the year ended December 31, 2003, giving effect to the Acquisitions.
Exhibit 99.3	Unaudited financial statements of the Company for the three and six months ended June 30, 2003 giving effect to the Acquisitions..

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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 hereunto duly authorized.

SalesTactix, Inc.,

a Delaware corporation

Date: September 7, 2004

By /s/ Vincent Michael Keyes

Vincent Michael Keyes, III, President

HAROLD Y. SPECTOR, CPA
CAROL S. WONG, CPA
SUITE 723

SPECTOR & WONG, LLP
Certified Public Accountants

(888) 584-5577
FAX (626) 584-6447
SPECTORWONGCPA@AOL.COM

80 SOUTH LAKE AVENUE

PASADENA, CA 91101

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and stockholders

We have audited the accompanying balance sheets of CRM SalesWare, Inc. (d.b.a. xSellsys) as of March 31, 2004 and 2003, and the related statements of operations, changes in stockholders' deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of CRM SalesWare, Inc. (d.b.a. xSellsys) as of March 31, 2004 and 2003, and its results of operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company's operating losses and net worth deficit raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 3. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Spector & Wong, LLP
Pasadena, California
September 3, 2004

CRM SALESWARE, INC. (DBA xSELLSYS)
BALANCE SHEETS

March 31, 2004 and 2003

ASSETS	2004	2003
Current Assets		
Cash	$ -	$ 6,346
Accounts receivable	1,460	12,047
Other receivable	5,631	3,161
Total Current Assets	7,091	21,554
Property and equipment, net of accumulated depreciation		
of $80,051 and $58,489 for 2003 and 2003, respectively	25,828	47,390
Software development, net of accumulated amortization of		
$215,724 and $161,748 for 2004 and 2003, respectively	-	53,976
TOTAL ASSETS	$ 32,919	$ 122,920
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable	$ 411,947	$ 382,416
Cash Overdraft	1,254	-
Accrued expenses	85,225	89,181
Deferred revenue	8,243	3,596
Notes payable to related parties	112,000	112,000
Total Current Liabilities	618,669	587,193
Stockholders' Deficit		
Common Stock, no par value, 25,000,000 shares		
authorized; 1,717,740 shares issued and outstanding	3,021,593	3,021,593
Accumulated deficit	(3,607,343)	(3,485,866)
Total Stockholders' Deficit	(585,750)	(464,273)

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 32,919	$ 122,920

See notes to financial statements

CRM SALESWARE, INC. (DBA xSELLSYS)
STATEMENTS OF OPERATIONS

For years ended March 31,	2004	2003
Revenues:		
Software licenses	$ 250,763	$ 313,556
Services	1,460	23,155
Total Revenues	252,223	336,711
Cost and expenses:		
Software licenses upgrade and product support	88,263	185,986
Cost of services	90,373	88,431
Write-off long-lived assets	-	48,350
Selling, general and administrative Expenses	192,999	272,915
Total cost and expenses	371,635	595,682
Operating (loss)	(119,412)	(258,971)
Other income (expenses),		
Other income	-	73,833
Loss on disposal of assets	-	(8,261)
Interest expense	(1,265)	(2,586)
	(1,265)	62,986
Net (loss) before state franchise tax	(120,677)	(195,985)
State franchise tax	800	800
Net (loss)	$ (121,477)	$ (196,785)
Net (loss) per share-Basic and Diluted	$ (0.07)	$ (0.11)
Weighted Average Number of Shares	1,717,740	1,717,740

See notes to financial statements

CRM SALESWARE, INC. (DBA xSELLSYS)
STATEMENTS OF CHANGES IN STOCKHOLDER'S DEFICIT

For years ended March 31, 2004 and 2003

	Common Stock		Accumulated	
	Shares	Amount	Deficit	Total
Balance at March 31, 2002	1,717,140	$ 3,021,593	$ (3,289,081)	$ (267,488)
Net loss			(196,785)	(196,785)
Balance at March 31, 2003	1,717,140	3,021,593	(3,485,866)	(464,273)
Net loss			(121,477)	(121,477)
Balance at March 31, 2004	1,717,140	$ 3,021,593	$ (3,607,343)	$ (585,750)

See notes to financial statements

CRM SALESWARE, INC. (DBA xSELLSYS)
STATEMENTS OF CHANGES IN STOCKHOLDER'S DEFICIT

For years ended March 31,	2004	2003
CASH FLOW FROM OPERATING ACTIVITIES		

Net (loss)	$ (121,477)	$ (196,785)
Adjustments to reconcile net (loss) to net cash (used in)		
operating activities:		
Depreciation and amortization	75,538	107,424
Loss on disposal of assets	-	8,261
Write-off long-lived assets	-	48,350
(Increase) Decrease in:		
Accounts receivable	10,587	(8,453)
Other current assets	(2,470)	(1,201)
Increase (Decrease) in:		
Accounts payable and accrued expenses	25,575	4,049
Deferred revenue	4,647	3,596
Net cash flows (used in) operating activities	(7,600)	(34,759)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	-	42,511
Net cash flows provided by investing activities	-	42,511
CASH FLOW FROM FINANCING ACTIVITIES		
Cash overdraft	1,254	-
Repayments on notes payable	-	(26,749)
Advances from shareholders	-	12,000
Net cash flows (used in) financing activities	1,254	(14,749)
NET (DECREASE) IN CASH	(6,346)	(6,997)
CASH AT BEGINNING OF YEAR	6,346	13,343
CASH AT END OF YEAR	$ (0)	$ 6,346
Supplemental Disclosure of Cash Flow Information:		
Income Taxes Paid	$ 800	$ -
Interest Paid	$ 1,265	$ 2,586

See notes to financial statements

CRM SALESWARE, INC. (DBA xSELLSYS)
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - - NATURE OF BUSINESS

CRM SalesWare, Inc. (d.b.a. xSellsys, the "Company') was incorporated under the laws of the state of California on March 14, 2000. The Company delivers sales force automation and customer relationship management tools via its Linux based hosted sales force automation software platform branded as xSellsys.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates: The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States (U.S. GAAP) requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenue, and expenses. Actual results may differ from these estimates.

Revenue Recognition: The Company recognizes revenue in accordance with the provisions of Statement of Position (SOP) No. 97-2, "Software Revenue Recognition," as amended by SOP 98-4 and SOP 98-9. The Company recognizes software license revenue at the point when evidence of an arrangement exists, the software products have been shipped, there are not uncertainties surrounding product acceptance, the fees are fixed or determinable and collection of the related receivable is considered probable. In multiple-element software arrangements that include rights to multiple software products, maintenance or services, the Company allocates the total arrangement fee using the residual method. Under the residual method, the fair value of the undelivered maintenance and services elements, as determined based on vendor-specific objective evidence, is deferred and the remaining (residual) arrangement is recognized as software product revenue. Service revenues include consulting and training services, which are recognized as the services are performed.

Allowance for Doubtful Accounts and Returns: A provision for doubtful accounts has not been established as management considers all accounts to be collectible based upon a favorable history over a substantial period time.

The software license arrangements generally do not include acceptance provisions. However, if acceptance provisions exist as part of public policy or within previously executed terms and conditions that are referenced in the current agreement and are short-term in nature, the Company will provide for a sales return allowance in accordance with Statement of Financial Accounting Standards (SFAS) No. 48, "Revenue Recognition when Right of Return Exists."

Cash Equivalents: For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments: The carrying amounts of the financial instruments have been estimated by management to approximate fair value.

Property and Equipment: Property and Equipment are valued at cost. Maintenance and repair costs are charged to expenses as incurred. Depreciation is computed on the straight-line method based on the following estimated useful lives of the assets: 3 to 5 years for camera and computer equipment, 5 to 7 years for machinery and equipment, furniture and fixtures, and automobile. Depreciation expense was $21,562 and $35,516 for fiscal years ended March 31, 2004 and 2003, respectively.

Software development costs: The Company capitalizes software development costs incurred subsequent to the internal release of products for acceptance testing pursuant to SFAS No. 86, "Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed." Costs incurred during the application development stage are amortized over periods not exceeding three years, based on the estimated economic life of the product.

Impairment of Long-Lived Assets: Long-lived assets and certain identifiable intangible assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows and certain identifiable intangible assets that management expects to hold and use is based on the fair value of the asset.

Income Taxes: Income tax expense is based on pre-tax financial accounting income. Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts.

Stock-based Compensation: SFAS No. 148. "Accounting for Stock-Based Compensation - -Transition and Disclosure, an Amendment of FASB Statement No. 123," amends the disclosure requirements of SFAS No. 123, "Accounting for Stock-Based Compensation," to require more prominent disclosures in both annual and interim financial statements regarding the method of accounting for stock-based employee compensation and the effect of the method used on reported results.

The Company accounts for equity-based instruments issued or granted to employees using the intrinsic method of accounting in accordance with Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"). Under the intrinsic value method, because the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recognized in the Company's Statements of Operations.

The Company is required under SFAS 123 to disclose pro forma information regarding option grants to its employees based on specified valuation techniques that produce estimated compensation charges. The pro forma information is as follows:

For years ended March 31,	2004	2003
Net loss - as reported	$ (121,477)	$ (196,785)
Pro forma compensation expense	-	-
Pro forma net loss	$ (121,477)	$ (196,785)
Basic and diluted net loss per share:		
As reported	$ (0.07)	$ (0.11)
Pro forma	$ (0.07)	$ (0.11)

The value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model, which was developed for use in estimating the value of traded options that have no vesting restrictions and are fully transferable. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the estimate, in management's opinion, the existing valuation models do not provide a reliable measure of the fair value of the Company's employee stock options. (For additional information regarding this pro forma information, see Note 6 to the financial statements.)

Net Loss Per Common Share: The Company accounts for income (loss) per share in accordance with SFAS No. 128, "Earnings Per Share." SFAS No. 128 requires that presentation of basic and diluted earnings per share for entities with complex capital structures. Basic earnings per share includes no dilution and is computed by dividing net income (loss) available to common stockholders by the weighted average number of common stock outstanding for the period. Diluted earnings per share reflects the potential dilution of securities that could share in the earnings of an entity. Diluted net loss per common share does not differ from basic net loss per share as their effect is antidilutive. Dilutive potential common shares primarily consist of stock options and stock warrants.

Major Customers: For the years ended March 31, 2004 and 2003, three major customers comprised of $171,513 and $219,543 or 68% and 65.2%, respectively, of the Company's revenues.

Derivatives: In June 1998, Financial Accounting Standards Board (FASB) issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended by SFAS No. 138, which was issued in June 2000. SFAS No. 133 establishes accounting and reporting standards for derivative instruments. The Company currently does not use derivative financial products for hedging or speculative purposes and as a result, does not anticipate any impact on the Company's financial statements.

Reclassification: Certain reclassifications have been made to the 2003 financial statements to conform with the 2004 financial statement presentation. Such reclassification had no effect on net loss as previously reported.

Recent Accounting Pronouncements: In December 2003, the SEC issued Staff Accounting Bulletin (SAB) No. 104, "Revenuer Recognition," which codifies, revises and rescinds certain sections of SAB No. 101, "Revenue Recognition," in order to make this interpretive guidance consistent with current authoritative accounting and auditing guidance and SEC rules and regulations. The changes noted in SAB No. 104 did not have a material effect on the Company's results of operations, financial positions or cash flows.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." This Statement requires that certain instruments that were previously classified as equity on the Company's statement of financial position now be classified as liabilities. The Statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Company currently has no instruments impacted by the adoption of this statement and therefore the adoption did not have an effect on the Company's financial position, results of operations or cash flows.
In April 2003, the FASB issued Statement of SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities," which is generally effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. SFAS No. 149 clarifies under what circumstances a contract with an initial net investment meets the characteristic of a derivative as discussed in SFAS No. 133, clarifies when a derivative contains a financing component, amends the definition of an "underlying" to conform it to the language used in FASB Interpretation No. 45, "Guarantor Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" and amends certain other existing pronouncements. The Company does not have any derivative financial instruments. The Company does not anticipate that the adoption of SFAS No. 149 will have an impact on its balance sheets or statements of operations and cash flows.

In January 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities, an interpretation of Accounting Research Bulletin No. 51. Interpretation 46 establishes accounting guidance for consolidation of variable interest entities that function to support the activities of the primary beneficiary. Interpretation 46 applies to any business enterprise, both public and private, that has a controlling interest, contractual relationship or other business relationship with a variable interest entity. The Company currently has no contractual relationship or other business relationship with a variable interest entity and therefore the adoption did not have an effect on its financial position or results of operations. However, if the Company enters into any such arrangement with a variable interest entity in the future, its financial position or results of operations may be adversely impacted.

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 to SFAS No. 123's fair value method of accounting for stock-based employee compensation. SFAS No. 148 also amends the disclosure provisions of SFAS No. 123 and APB Opinion No. 28, "Interim Financial Reporting," to require disclosure in the summary of significant accounting policies of the effects of an entity's accounting policy with respect to stock-based employee compensation on reported net income and earnings per share in annual and interim financial statements. While SFAS No. 148 does not amend SFAS No. 123 to require companies to account for employee stock options using the fair value method, the disclosure provisions of SFAS No. 148 are applicable to all companies with stock-based employee compensation, regardless of whether they account for that compensation using the fair value method of SFAS No. 123 or the intrinsic value method of APB Opinion 25. The Company currently does not have any stock-based employee compensations that require for disclosures.

In November 2002, the EITF reached a consensus on Issue No. 00-21, "Revenue Arrangements with Multiple Deliverables." Issue 00-21 provides guidance on how to account for arrangements that involve the delivery or performance of multiple products, services and/or rights to use assets. The provisions of Issue 00-21 will apply to revenue arrangements entered into in fiscal periods beginning after June 15, 2003. The Company does not believe that the adoption of Issue 00-21 will have a material effect on the Company's financial position, results of operations or cash flows.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." The standard requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. Examples of costs covered by the standard include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued operation, plant closing, or other exit or disposal activity. Previous accounting guidance provided by EITF Issue No. 94-3, "Liability Recognition for Certain employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring) is replaced by this Statement. SFAS No. 146 is to be applied prospectively to exit or disposal activities initiated after December 31, 2002. Management does not anticipate that the adoption of this Statement will have a significant effect on the Company's financial statements.

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." This Statement updates, clarifies and simplifies existing accounting pronouncements. The provisions of this Statement related to the rescission of Statement No. 4 are to be applied for fiscal years beginning after May 15, 2002. Any gain or loss on extinguishment of debt that was classified as an extraordinary item in prior periods presented that does not meet the criteria in Opinion No. 30 for classification as an extraordinary item should be reclassified. Provisions of the Statement related to the amendment of Statement No. 13 should be applied for transactions occurring after May 15, 2002, and all other provisions should be applied for financial statements issued on or after May 15, 2002. Management does not anticipate that the adoption of this Statement will have a significant effect on the Company's financial statements.

NOTE 3 - - CONTINUING OPERATIONS
The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As shown in the accompanying financial statements, the Company suffered losses of $121,477 and $196,785 for the years ended March 31, 2004 and 2003, respectively, and as of March 31, 2004, the Company's current liabilities exceeded its current assets by $611,578, and its total liabilities exceeded its total assets by $585,750. In the near term, the Company expects operating costs to continue to exceed funds generated from operations. As a result, the Company expects to continue to incur operating losses and may not have enough money to grow its business in the future. The Company can give no assurance that it will achieve profitability or be capable of sustaining profitable operations. As a result, operations in the near future are expected to continue to use working capital.

In June 2004, the Company sold its customer contracts and intellectual property to an unrelated party. Following the selling, the Company ceased operations and remains inactive.

NOTE 4 - - BALANCE SHEET DETAILS

The following tables provide details of selected balance sheet items:

At March 31,	2004	2003
Property and Equipment		
Computer equipment	$ 105,879	$ 105,879
Less: accumulated depreciation	(80,051)	(58,489)
Total	$ 25,828	$ 47,390
Accured expenses		
Accrued computer consulting fees	$ 62,500	$ 62,500
Accrued payroll taxes	13,026	13,026
Others	9,699	13,655
Total	$ 85,225	$ 89,181

NOTE 5 - - NOTES PAYABLE TO RELATED PARTIES

A shareholder had advanced a sum of $112,000 to the Company. The advances bear no interest and are due on demand. The note was converted into 112,000 shares of the Company's common stock in June 2004.

NOTE 6 - FORGIVENESS OF LIABILITIES

During the year ended March 31, 2003, the Company wrote off accounts payable of $73,825 due to the forgiveness granted by its creditors. The Company recognized them as other income. None was for fiscal 2004.

NOTE 7 - - INCOME TAXES

The deferred net tax assets consist of the following at March 31, 2004 and 2003:

	2004	2003
Tax Benefit on net operating loss carryforward	$ 1,411,660	$ 1,352,191
Temporary differene in depreciation and amortization	(256)	(7,740)
Less: valulation allowance	(1,411,404)	(1,344,451)
Net deferred tax assets	$ -	$ -

As of March 31, 2004, the Company has net operating loss carryforwards, approximately, of $3.5million and $2.4 million to reduce future federal and state taxable income, respectively. To the extent not utilized, the carryforwards will begin to expire through fiscal 2023. The Company's ability to utilize its net operating loss carryforwards is uncertain and thus a valuation reserve has been provided against the Company's net deferred tax assets.

NOTE 8 - - STOCK OPTIONS AND WARRANTS

The Board of Directors approved the creation of the 2001 Stock Incentive Plan (the Plan) at March 31, 2001. 175,000 shares of common stock were reserved for issuances under stock option plans. As of March 31, 2004 and 2003, the Company had 198,000 outstanding options. The options have no exercise prices and they were all exercised in June 2004.

The Company has warrants outstanding to purchase 159,711 shares of the Company's common stock for free. These warrants expire at various dates through June 2005. Of which, 103,033 were exercised in June 2004.

NOTE 9- NET INCOME (LOSS) PER SHARE

As the Company incurred net losses in fiscal 2004 and 2003, the effect of dilutive securities totalling 254,678 equivalent shares has been excluded from the diluted net loss per share computation as it was antidilutive.

The following table sets forth the computation of basic and diluted net income (loss) per share:

Years ended March 31,	2004	2003
Numerator:		
Net (loss)	$ (121,477)	$ (196,785)
Denominator:		
Weighted average common shares	1,717,740	1,717,740
Net (loss) per share	$ (0.07)	$ (0.11)

NOTE 10 - LEASE COMMITMENTS

The Company leases certain servers for $2,251 per month under a non-cancellable operating lease that expires on August 31, 2004. As of March 31, 2004, the minimum lease payments under these leases are $11,255.

NOTE 11 - LEGAL PROCEEDINGS

A judgment of $9,361 was entered on July 15, 2002 against the Company from a previous vendor. On February 20, 2003, the vendor obtained a permit to levy the Companys bank account to satisfy the judgment. As a result, the vendor had successfully withdrawn $2,108 from the Companys bank account. Since then, no payments were made to the judgment and the bank account was closed. As of March 31, 2004, the balance owed to the judgment including interest amounted to $8,855, included in accrued expenses.

On March 3, 2003, a complaint was brought by a former software development consultant for the Company who is claiming that the Company fails to make payments pursuant to the terms and conditions of a consulting services agreement dated September 24, 2000. The amount, aggregate of $236,062, was included in accounts payable. Management intends to make some settlement offer on this claim.

The Company is currently party to various legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, management do not believe that the outcome of any of these claims or any of the above mentioned legal matters will have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows.

NOTE 12 GUARANTEES AND PRODUCT WARRANTIES

The Company from time to time enters into certain types of contracts that contingently require the Company to indemnify parties against third party claims. These contracts primarily relate to: (i) divestiture agreements, under which the Company may provide customary indemnifications to purchasers of the Companys businesses or assets; (ii) certain real estate leases, under which the Company may be required to indemnify property owners for environmental and other liabilities, and other claims arising from the Companys use of the applicable premises; and (iii) certain agreements with the Company's officers, directors and employees, under which the Company may be required to indemnify such persons for liabilities arising out of their employment relationship.

The terms of such obligations vary. Generally, a maximum obligation is not explicitly stated. Because the obligated amounts of these types of agreements often are not explicitly stated, the overall maximum amount of the obligations cannot be reasonably estimated. Historically, the Company has not been obligated to make significant payments for these obligations, and no liabilities have been recorded for these obligations on its balance sheets as of March 31, 2004.

In general, the Company offers a five-year warranty on workmanship to original purchaser and a manufacturer's warranty from 90 days to one year for most of its products sold. To date, the Company has not incurred any material costs associated with these warranties.

NOTE 13 - SUBSEQUENT EVENT

On June 21, 2004, the Company entered into an Asset Purchase Agreement to sell its customer contracts and intellectual property and certain liabilities to an unrelated party for all of the outstanding and issued shares of the unrelated party. Following the sale, the unrelated party was acquired by a public company in a stock for stock transaction. The Company intends to distribute the shares of the public company it acquired to the shareholders.

HAROLD Y. SPECTOR, CPA	SPECTOR & WONG, LLP	80 SOUTH LAKE AVENUE
CAROL S. WONG, CPA	Certified Public Accountants	
SUITE 723		
	(888) 584-5577	PASADENA, CA 91101
	FAX (626) 584-6447	
	SPECTORWONGCPA@AOL.COM	

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and stockholders
of NBD Marketing, Inc.

We have audited the accompanying balance sheet of NBD Marketing, Inc. as of December 31, 2003, and the related statements of operations, changes in stockholders' deficit, and cash flows for the period from inception February 25, 2003 to December 31, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NBD Marketing, Inc. as of December 31, 2003, and the results of its operations and its cash flows for the period from inception February 25, 2003 to December 31, 2003, in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company's operating losses raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Spector & Wong, LLP
Pasadena, California
September 3, 2004

NBD MARKETING, INC.
BALANCE SHEET

December 31, 2003

ASSETS	

Current Assets	
Cash	$ 36,120
Employee Advance	746
Note Receivable-Related Party	5,467
Total Current Assets	42,333
Other Asset,	
Deposit	1,579
TOTAL ASSETS	$ 43,912
LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current Liabilities	
Accrued Expenses	$ 14,273
Officers' Loan	48,100
Unearned Revenue	17,550
Total Current Liabilities	79,923
Stockholders' Deficit	
Common Stock, $0.1 par value, 1,000,000 shares authorized,	
5,000 shares issued and outstanding	500
Paid-in Capital	4,500
Accumulated Deficit	(41,011)
Total Stockholders' Deficit	(36,011)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 43,912

NBD MARKETING, INC.
STATEMENT OF OPERATIONS

For the period from Inception February 25, 2003 to December 31, 2003

Revenue	$ 602,626
Costs and Expenses	
Cost of Revenues	309,787
Selling, General and Administrative Expenses	331,577
Total costs and expenses	641,364
Operating (loss)	(38,738)
Interest Expense	(1,473)
Net (loss) before taxes	(40,211)
Provision for Income Taxes	800
Net (loss)	$ (41,011)
Net (loss) per share-Basic and Diluted	$ (8.20)
Weighted Average Number of Shares	5,000

NBD MARKETING, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT

For the period from Inception February 25, 2003 to December 31, 2003

	Common Stock		Paid-in	Accumulated	
	Shares	Amount	Capital	Deficit	Total
Balance at Inception Feburary 25, 2003	-	$ -	$ -	$ -	$ -
Issuance of Stock to Founder	5,000	500	4,500		5,000

Net (loss)				(41,011)	(41,011)
Balance at December 31, 2003	5,000	$ 500	$ 4,500	$ (41,011)	$ (36,011)

NBD MARKETING, INC.
STATEMENT OF CASH FLOWS

For the period from Inception February 25, 2003 to December 31, 2003

CASH FLOW FROM OPERATING ACTIVITIES	
Net (loss)	$ (41,011)
Adjustments to reconcile net (loss) to net cash (used in)	
operating activities:	
(Increase) in:	
Employee Advance	(746)
Deposit	(1,579)
Increase in:	
Accrued Expenses	14,273
Unearned Revenue	17,550
Net cash flows (used in) operating activities	(11,513)
CASH FLOW FROM INVESTING ACTIVITIES	
Net advance to a related party	(5,473)
Net cash flows (used in) investing activities	(5,473)
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issuance of stock	5,000
Proceeds from Officers' Loan	48,100
Net cash flows provided by financing activities	53,100
NET INCREASE IN CASH	41,587
CASH AT INCEPTION FEBRUARY 25, 2003	-
CASH AT END OF YEAR	$ 41,587

NBD MARKETING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF BUSINESS AND CRITICAL ACCOUNTING POLICIES

Nature of Business NBD Marketing, Inc. (the "Company'), was incorporated under the laws of the state of California on February 25, 2003. The Company designs, compiles and prints catalogs, flyers, brochures in the office furniture industry and also engages in telemarketing.

Use of estimates The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenue, and expenses. Actual results may differ from these estimates.

Revenue Recognition The Company recognizes sales revenue when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectibility is reasonably assured. Cash payments received in advance of revenue are recorded as deferred revenue.

Accounts Receivable The Company receives 50% deposit from clients upon signing the contracts and 50% when completed for print jobs and collects one year or monthly services fee in advance for telemarketing. As of December 31, 2003, there was no accounts receivable outstanding.

Net Loss Per Share Basic net loss per share includes no dilution and is computed by dividing net loss available to common stockholders by the weighted average number of common stock outstanding for the period. Diluted net loss per share does not differ from basic net loss per share due to the lack of dilutive items in the Company.

Other Significant Accounting Policies

Cash Equivalents For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments The carrying amounts of the financial instruments have been estimated by management to approximate fair value.

Income Taxes Income tax expense is based on pretax financial accounting income. Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts. Valuation allowance are established, if necessary, to reduce deferred tax assets to the amount that will more likely than not be realized.

Advertising Costs The Company expenses advertising and marketing costs as they are incurred. Advertising expense for the period from inception February 25, 2003 to December 31, 2003 was $2,055.

Derivatives In June 1998, Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended by SFAS No. 138, which was issued in June 2000. SFAS No. 133 establishes accounting and reporting standards for derivative instruments. The Company currently does not use derivative financial products for hedging or speculative purposes and as a result, does not anticipate any impact on the Company's financial statements.

NOTE 1 - NATURE OF BUSINESS AND CRITICAL ACCOUNTING POLICIES (Continued)

New Accounting Standards: In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." This Statement requires that certain instruments that were previously classified as equity on the Company's statement of financial position now be classified as liabilities. The Statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Company currently has no instruments impacted by the adoption of this statement and therefore the adoption did not have an effect on the Company's financial position, results of operations or cash flows.

In April 2003, the FASB issued Statement of SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities," which is generally effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. SFAS No. 149 clarifies under what circumstances a contract with an initial net investment meets the characteristic of a derivative as discussed in SFAS No. 133, clarifies when a derivative contains a financing component, amends the definition of an "underlying" to conform it to the language used in FASB Interpretation No. 45, "Guarantor Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" and amends certain other existing pronouncements. The Company does not have any derivative financial instruments. The Company does not anticipate that the adoption of SFAS No. 149 will have an impact on its balance sheets or statements of operations and cash flows.

In January 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities, an interpretation of Accounting Research Bulletin No. 51. Interpretation 46 establishes accounting guidance for consolidation of variable interest entities that function to support the activities of the primary beneficiary. Interpretation 46 applies to any business enterprise, both public and private, that has a controlling interest, contractual relationship or other business relationship with a variable interest entity. The Company currently has no contractual relationship or other business relationship with a variable interest entity and therefore the adoption did not have an effect on its consolidated financial position or results of operations. However, if the Company enters into any such arrangement with a variable interest entity in the future, its financial position or results of operations may be adversely impacted.

NOTE 2 - CONTINUING OPERATIONS

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As shown in the accompanying financial statements, the Company suffered losses of $41,011 for the period from inception February 25, 2003 to December 31, 2003. The Company's current liabilities exceeded it current assets by $37,590, and its total liabilities exceeded its total assets by $36,011. In the near term, the Company expects operating costs to continue to exceed funds generated from operations. As a result, the Company expects to continue to incur operating losses and may not have enough money to grow its business in the future. The Company can give no assurance that it will achieve profitability or be capable of sustaining profitable operations. As a result, operations in the near future are expected to continue to use working capital.

In June 2004, the Company was acquired by a public company.

NOTE 3 - MAJOR CUSTOMER

The Company had one major unrelated customer, which represented 10% or more of total revenues of the Company. Revenues from this customer for the period from inception February 25, 2003 to December 31, 2003 were $400,000 or 66%.

NOTE 4 - MAJOR SUPPLIER

The Company had one major unrelated supplier, which represented 10% or more of total costs of goods sold of the Company. Costs of goods sold from this supplier for the period inception from February 25, 2003 to December 31, 2003 was $199,552 or 100%.

NOTE 5 - - ACCRUED EXPENSES

Accrued expenses at December 31, 2003 consist of:

Accrued Interest Expense	$ 1,473
Accrued Income Tax	800
Other Accrued Expenses	12,000
Total	$ 14,273

NOTE 6 - -NET (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

Numerator:	
Net (loss)	$ (41,011)
Denominator:	
Weighted average common shares	5,000
Net (loss) per share	$ (8.20)

NOTE 7 - LEASE COMMITTMENTS

The Company entered into a lease agreement to rent an office building in Santa Ana. The lease will expire in April 2005.

The Company also leases a copier for 36 months for $384 per month beginning April 2003. The monthly lease payments do not include additional maintenance and insurance.

The following is a schedule of future minimum lease payments by year under the leases as of December 31, 2003:

Years ended December 31,	Amount
2004	$ 26,296
2005	12,296
2006	1,536
Total future minimum lease payments	$ 40,128

NOTE 8 - ROYALTY COMMITTMENTS

The Company entered into a software license agreement in August 2003 which enables the Company to sell retail licenses. Minimum royalty payments which are accounted for under operating lease are as follows:

Years ended December 31,	Amount
2004	$ 23,400
2005	9,600
Total future minimum lease payments	$ 33,000

NOTE 9 - - SEGMENT INFORMATION

SFAS No. 131 "Disclosures about Segments of an Enterprise and Related Information" requires that enterprises to disclose information about its operating segments when it presents a complete set of financial statements. Since the Company has only one segment; accordingly, detailed information of the reportable segment is not presented.

NOTE10 - - RELATED PARTY TRANSACTIONS
As of December 31, 2003, the Company has a balance of $5,467 due from ProspectWorks, Inc. which was owned by the Company's President and majority shareholder.

Officers' loan is unsecured, due on demand and bears interest at 6%. Interest charged related to the officers' loans to operations amounted to $1,473 for the period from inception February 25, 2003 to December 31, 2003

NOTE 11 - GUARANTEES

The Company from time to time enters into certain types of contracts that contingently require the Company to indemnify parties against third-party claims. These contracts primarily relate to: (i) divestiture agreements, under which the Company may provide customary indemnifications to purchasers of the Company's businesses or assets; and (ii) certain agreements with the Company's officers, directors and employees, under which the Company may be required to indemnify such persons for liabilities arising our of their employment relationship.

The terms of such obligations vary. Generally, a maximum obligation is not explicitly stated. Because the obligated amounts of these types of agreements often are not explicitly stated, the overall maximum amount of the obligation cannot be reasonably estimated. Historically, the Company has not been obligated to make significant payments for these obligations, and no liabilities have been recorded for these obligations on its balance sheet as of December 31, 2003.

The Company warrants that services performed will be provided in a manner consistent with industry standards for a period of 90 days from performance of the service. To date, the Company has not incurred any material costs associated with theses warranties.

NOTE 12 - SUBSEQUENT EVENTS

Termination of S-Corporation

On January 1, 2004, the Company was approved on the election as an S-Corporation. After acquired by a public company, an S-Corporation election is terminated automatically when the Company no longer qualifies as an S-Corporation.

Business Acquisitions

On June 20, 2004 , the Company entered into an agreement with Prospectworks, Inc. ("seller") to buy 10,000,000 shares of common stock which represents 100% of the issued and outstanding shares of the seller in exchange for 340 shares of the common stock of the Company.

On June 21, 2004, the Company was acquired by a public company in a stock for stock transaction. The acquisition will be accounted for as a purchase and is expected to be completed in the third quarter of 2004.

HAROLD Y. SPECTOR, CPA
CAROL S. WONG, CPA
SUITE 723

SPECTOR & WONG, LLP
Certified Public Accountants

80 SOUTH LAKE AVENUE
PASADENA, CA 91101

(888) 584-5577
FAX (626) 584-6447
SPECTORWONGCPA@AOL.COM

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and stockholders of ProspectWorks, Inc.

We have audited the accompanying balance sheet of ProspectWorks, Inc. as of December 31, 2003, and the related statements of operations, changes in stockholders' deficit, and cash flows for the period from inception February 3, 2003 to December 31, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ProspectWorks, Inc. as of December 31, 2003, and the results of its operations and its cash flows for the period from inception February 3, 2003 to December 31, 2003, in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company's operating losses raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Spector & Wong, LLP
Pasadena, California
September 3, 2004

PROSPECTSWORKS, INC.
BALANCE SHEET

December 31, 2003

ASSETS	
Current Assets	
Cash	$ -
Total Current Assets	-
Software Development, net of accumulated amortization of $41,667	83,333
TOTAL ASSETS	$ 83,333
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current Liabilities	
Cash Overdraft	$ 2,956
Accrued Expenses	11,030
Due to Affiliate	5,467
Officers' Loan	7,000
Unearned Revenue	47,175
Total Current Liabilities	73,628
Stockholders' Equity	
Common Stock, $0.001 par value, 100,000,000 shares authorized,	
10,000,000 shares issued and outstanding	10,000
Paid-in Capital	115,000
Accumulated Deficit	(115,295)
Total Stockholders' Equity	9,705
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 83,333

PROSPECTSWORKS, INC.
STATEMENT OF OPERATIONS

For the period from Inception February 3, 2003 to December 31, 2003

Revenues	$ 46,107
Costs and Expenses	
Cost of Revenues	37,517
Selling, General and Administrative Expenses	122,854
Total Costs and Expenses	160,372
Operating (loss)	(114,265)
Interest Expense	(230)
Net (loss) before taxes	(114,495)
Provision for Income Taxes	800
Net (loss)	$ (115,295)
Net (loss) per share-Basic and Diluted	$ (0.01)
Weighted Average Number of Shares	10,000,000

PROSPECTSWORKS, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

For the period from Inception February 3, 2003 to December 31, 2003

	Common Stock		Paid-in	Accumulated	
	Shares	Amount	Capital	Deficit	Total
Balance at Inception February 3, 2003	-	$ -	$ -	$ -	$ -
Issuance of stock for Software Development	10,000,000	10,000	115,000		125,000
Net (loss)				(115,295)	(115,295)
Balance at December 31, 2003	10,000,000	$ 10,000	$ 115,000	$ (115,295)	$ 9,705

PROSPECTSWORKS, INC.
STATEMENT OF CASH FLOWS

For the period from Inception February 3, 2003 to December 31, 2003

CASH FLOW FROM OPERATING ACTIVITIES	
Net (loss)	$ (115,295)
Adjustments to reconcile net (loss) to net cash (used in) operating activities:	
Amortization	41,667
Increase in:	
Accrued Expenses	11,030
Unearned Revenue	47,175
Net cash flows (used in) operating activities	(15,423)
CASH FLOW FROM INVESTING ACTIVITIES	-
CASH FLOW FROM FINANCING ACTIVITIES	
Cash Overdraft	2,956
Due to Affiliate	5,467
Proceeds from Officers' Loan	7,000
Net cash flows provided by financing activities	15,423
NET INCREASE IN CASH	-
CASH AT INCEPTION FEBRUARY 3, 2003	-

CASH AT END OF YEAR	$ -
Noncash Investing and Financing Activities	
Common Stock issued for Software Development	$ 125,000

PROSPECTSWORKS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF BUSINESS AND CRITICAL ACCOUNTING POLICIES

Nature of Business ProspectWorks, Inc. (the "Company') was incorporated under the laws of the State of California on February 3, 2003. The Company is engaged in web-base sales force automation and telemarketing.

Use of estimates The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenue, and expenses. Actual results may differ from these estimates.

Revenue Recognition The Company recognizes sales revenue when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectibility is reasonably assured. Cash payments received in advance of revenue are recorded as deferred revenue. No provisions were established for estimated product returns and allowance based on the Company's historical experience.

Accounts Receivable The Company receives upfront deposit for sales force automation and bill monthly in advance for telemarketing. As of December 31, 2003, there was no accounts receivable outstanding.
Net Loss Per Share Basic net loss per share includes no dilution and is computed by dividing net loss available to common stockholders by the weighted average number of common stock outstanding for the period. Diluted net loss per share does not differ from basic net loss per share due to the lack of dilutive items in the Company.

Cash Equivalents For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments The carrying amounts of the financial instruments have been estimated by management to approximate fair value.

Income Taxes The Company utilizes SFAS No. 109, "Accounting for Income Taxes," which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax payable for the period and the change during the period in deferred tax assets and liabilities.

Advertising Costs The Company expenses advertising and marketing costs as they are incurred. Advertising expense for the period from inception February 3, 2003 to December 31, 2003 was $4,531.

Derivatives In June 1998, Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended by SFAS No. 138, which was issued in June 2000. SFAS No. 133 establishes accounting and reporting standards for derivative instruments. The Company currently does not use derivative financial products for hedging or speculative purposes and as a result, does not anticipate any impact on the Company's financial statements.

NOTE 1 - NATURE OF BUSINESS AND CRITICAL ACCOUNTING POLICIES (Continued)

New Accounting Standards: In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." This Statement requires that certain instruments that were previously classified as equity on the Company's statement of financial position now be classified as liabilities. The Statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Company currently has no instruments impacted by the adoption of this statement and therefore the adoption did not have an effect on the Company's financial position, results of operations or cash flows.

In April 2003, the FASB issued Statement of SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities," which is generally effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. SFAS No. 149 clarifies under what circumstances a contract with an initial net investment meets the characteristic of a derivative as discussed in SFAS No. 133, clarifies when a derivative contains a financing component, amends the definition of an "underlying" to conform it to the language used in FASB Interpretation No. 45, "Guarantor Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" and amends certain other existing pronouncements. The Company does not have any derivative financial instruments. The Company does not anticipate that the adoption of SFAS No. 149 will have an impact on its balance sheets or statements of operations and cash flows.

In January 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities, an interpretation of Accounting Research Bulletin No. 51. Interpretation 46 establishes accounting guidance for consolidation of variable interest entities that function to support the activities of the primary beneficiary. Interpretation 46 applies to any business enterprise, both public and private, that has a controlling interest, contractual relationship or other business relationship with a variable interest entity. The Company currently has no contractual relationship or other business relationship with a variable interest entity and therefore the adoption did not have an effect on its consolidated financial position or results of operations. However, if the Company enters into any such arrangement with a variable interest entity in the future, its financial position or results of operations may be adversely impacted.

NOTE 2 - CONTINUING OPERATIONS

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As shown in the accompanying financial statements, the Company suffered losses of $115,295 for the period from inception February 3, 2003 to December 31, 2003. In the near term, the Company expects operating costs to continue to exceed funds generated from operations. As a result, the Company expects to continue to incur operating losses and may not have enough money to grow its business in the future. The Company can give no assurance that it will achieve profitability or be capable of sustaining profitable operations. As a result, operations in the near future are expected to continue to use working capital.

In June 2004, the Company was acquired by a public company.

NOTE 3 - MAJOR CUSTOMER

The Company had two major unrelated customers, which represented 10% or more of total revenues of the Company. Revenues from these two customers for the period from inception February 3, 2003 to December 31, 2003 were $7,676, and $6,000 or 17% and 13%of total revenue, respectively.

NOTE 4 - - ACCRUED EXPENSES

Accrued expenses at December 31, 2003 consist of:

Accrued Interest Expense	$ 230
Accrued Income Tax	800
Other Accrued Expenses	10,000
Total	$ 11,030

NOTE 5 - - NET (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

Numerator:	
Net (loss)	$ (115,295)
Denominator:	
Weighted average common shares	10,000,000
Net (loss) per share	$ (0.01)

NOTE 6 - - SEGMENT INFORMATION

SFAS No. 131 "Disclosures about Segments of an Enterprise and Related Information" requires that enterprises to disclose information about its operating segments when it presents a complete set of financial statements. Since the Company has only one segment; accordingly, detailed information of the reportable segment is not presented.

NOTE 7 - - RELATED PARTY TRANSACTIONS

As of December 30, 2003, the Company has a balance of $5,467 due to NBD Marketing, Inc., Inc. which was owned by the Company's President and the majority shareholder.

Officers' loan is unsecured, due on demand and bears interest at 6%. Interest charged to operations amounted to $230 for the period from inception February 3, 2003 to December 31, 2003

NOTE 8 - GUARANTEES

The Company from time to time enters into certain types of contracts that contingently require the Company to indemnify parties against third-party claims. These contracts primarily relate to: (i) divestiture agreements, under which the Company may provide customary indemnifications to purchasers of the Company's businesses or assets; and (ii) certain agreements with the Company's officers, directors and employees, under which the Company may be required to indemnify such persons for liabilities arising our of their employment relationship.

The terms of such obligations vary. Generally, a maximum obligation is not explicitly stated. Because the obligated amounts of these types of agreements often are not explicitly stated, the overall maximum amount of the obligation cannot be reasonably estimated. Historically, the Company has not been obligated to make significant payments for these obligations, and no liabilities have been recorded for these obligations on its balance sheet as of December 31, 2003.

The Company warrants that services performed will be provided in a manner consistent with industry standards for a period of 90 days from performance of the service. To date, the Company has not incurred any material costs associated with these warranties.

NOTE 9 - SUBSEQUENT EVENT

On June 20, 2004 , the Company entered into an agreement with NBD Marketing, Inc. ("buyer") to sell all of its issued and outstanding shares in exchange 340 shares of the common stock of the buyer. Following the sale, the buyer was acquired by a public Company in a stock for stock transaction.

HAROLD Y. SPECTOR, CPA
CAROL S. WONG, CPA
SUITE 723

SPECTOR & WONG, LLP
Certified Public Accountants
(888) 584-5577

80 SOUTH LAKE AVENUE
PASADENA, CA 91101

FAX (626) 584-6447
SPECTORWONGCPA@AOL.COM

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and stockholders

We have audited the accompanying balance sheets of SalesWare, Inc. as of December 31, 2003 and 2002, and the related statements of operations, changes in stockholders' equity, and cash flows for the period from inception July 15, 2002 to December 31, 2002, and for the year ended December 31, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of SalesWare, Inc. as of December 31, 2003 and 2002, and its results of operations and its cash flows for the period from inception July 15, 2002 to December 31, 2002 and for the year ended December 31, 2003, in conformity with accounting principles generally accepted in the United States.

/s/Spector & Wong, LLP
Pasadena, California
September 3, 2004

SALESWARE, INC.
BALANCE SHEETS

December 31, 2003 and 2002

ASSETS	2003	2002
Current Assets		
Cash	$ 870	$ 5,149
Total Current Assets	870	5,149
Property and equipment, net of accumulated depreciation		
of $187 and $0 for 2003 and 2002, respectively	1,680	-
TOTAL ASSETS	$ 2,550	$ 5,149
LIABILITIES AND STOCKHOLDER'S EQUITY(DEFICIT)		
Current Liabilities		
Accounts payable and accrued expenses	$ -	$ 5,269
Total Current Liabilities	-	5,269
Stockholder's Equity(Deficit)		
Common Stock, $0.01 par value, 1,500 shares authorized;		
1,000 shares issued and outstanding	10	10
Paid-in Capital	1,990	1,990
Retained Earnings(Accumulated Deficit)	550	(2,120)
Total Stockholder's Equity(Deficit)	2,550	(120)
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY(DEFICIT)	$ 2,550	$ 5,149

SALESWARE, INC.
STATEMENT OF OPERATIONS

	For year ended December 31,2003	For period from Inception July 15, 2002 to December 31,2002
Revenues	$ 87,266	$ 5,000

Cost and expenses:		
Cost of revenues	2,200	-
Selling, general and administrative Expenses	25,238	7,030
Total cost and expenses	27,438	7,030
Operating income (loss)	59,828	(2,030)
Interest expense	(557)	(90)
Net income (loss)	$ 59,271	$ (2,120)
Net income (loss) per share-Basic and Diluted	$ 59.27	$ (2.12)
Weighted Average Number of Shares	1,000	1,000

SALESWARE, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT

For the period from Inception July 15, 2002 to December 31, 2003

	Common Stock		Paid-in	Accumulated	
	Shares	Amount	Capital	Deficit	Total
Balance at Inception, July 15, 2002	-	$ -	$ -	$ -	$ -
Issuance of stock to founder	1,000	10	1,990		2,000
Net loss				(2,120)	(2,120)
Balance at December 31, 2002	1,000	10	1,990	(2,120)	(120)
Shareholder's Distribution				(56,601)	(56,601)
Net income				59,271	59,271
Balance at December 31, 2003	1,000	$ 10	$ 1,990	$ 550	$ 2,550

SALESWARE, INC.
STATEMENT OF CASH FLOWS

	For year ended Devcember 31,2003	For period from Inception July 15, 2002 to December 31,2002
CASH FLOW FROM OPERATING ACTIVITIES		
Net income (loss)	$ 59,271	$ (2,120)
Adjustments to reconcile net income (loss) to net cash		
provided by operating activities:		
Depreciation	187	-
Increase (Decrease) in:		
Accounts payable and accrued expenses	(5,269)	5,269
Net cash flows provided by operating activities	54,189	3,149
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,867)	-
Net cash flows (used in) investing activities	(1,867)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Sale of common stock to founder	-	2,000
Shareholder's distributions	(56,601)	-
Net cash flows provided by (used in) financing activities	(56,601)	2,000

NET INCREASE (DECREASE) IN CASH	(4,279)	5,149
CASH AT BEGINNING OF YEAR	5,149	-
CASH AT END OF YEAR	$ 870	$ 5,149
Supplemental Disclosure of Cash Flow Information:		
Interest Paid	$ 557	$ 90

SALESWARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - - NATURE OF BUSINESS

SalesWare, Inc. (the "Company') was incorporated under the laws of the state of Nevada on July 15, 2002. The Company is a sales organization selling sales force automation solutions and sales training nationally.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates: The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States (U.S. GAAP) requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenue, and expenses. Actual results may differ from these estimates.

Revenue Recognition: The Company recognizes revenue as the services are performed, provided that the fees are fixed or determinable and collection of the related receivable is considered probable.
Cash Equivalents: For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments: The carrying amounts of the financial instruments have been estimated by management to approximate fair value.
Property and Equipment: Property and Equipment are valued at cost. Maintenance and repair costs are charged to expenses as incurred. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets which is 5 years.

Income Taxes The stockholders of the Company have elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. No provision for federal income taxes has been recorded in these financial statements because the stockholders are personally liable for such taxes on their individual income tax returns.

Net Income (Loss) Per Common Share The Company accounts for income (loss) per share in accordance with Statement of Financial Accounting Standards No. 128, "Earnings Per Share" ("SFAS 128"). SFAS No. 128 requires that presentation of basic and diluted earnings per share for entities with complex capital structures. Basic earnings per share includes no dilution and is computed by dividing net income (loss) available to common stockholders by the weighted average number of common stock outstanding for the period. Diluted earnings per share reflects the potential dilution of securities that could share in the earnings of an entity. Diluted net loss per common share does not differ from basic net loss per common share due to the lack of dilutive items in the Company.

Derivatives: In June 1998, Financial Accounting Standards Board (FASB) issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended by SFAS No. 138, which was issued in June 2000. SFAS No. 133 establishes accounting and reporting standards for derivative instruments. The Company currently does not use derivative financial products for hedging or speculative purposes and as a result, does not anticipate any impact on the Company's financial statements.

Recent Accounting Pronouncements: In December 2003, the SEC issued Staff Accounting Bulletin (SAB) No. 104, "Revenuer Recognition," which codifies, revises and rescinds certain sections of SAB No. 101, "Revenue Recognition," in order to make this interpretive guidance consistent with current authoritative accounting and auditing guidance and SEC rules and regulations. The changes noted in SAB No. 104 did not have a material effect on the Company's results of operations, financial positions or cash flows.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." This Statement requires that certain instruments that were previously classified as equity on the Company's statement of financial position now be classified as liabilities. The Statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Company currently has no instruments impacted by the adoption of this statement and therefore the adoption did not have an effect on the Company's financial position, results of operations or cash flows.

In April 2003, the FASB issued Statement of SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities," which is generally effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. SFAS No. 149 clarifies under what circumstances a contract with an initial net investment meets the characteristic of a derivative as discussed in SFAS No. 133, clarifies when a derivative contains a financing component, amends the definition of an "underlying" to conform it to the language used in FASB Interpretation No. 45, "Guarantor Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" and amends certain other existing pronouncements. The Company does not have any derivative financial instruments. The Company does not anticipate that the adoption of SFAS No. 149 will have an impact on its balance sheets or statements of operations and cash flows.

In January 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities, an interpretation of Accounting Research Bulletin No. 51. Interpretation 46 establishes accounting guidance for consolidation of variable interest entities that function to support the activities of the primary beneficiary. Interpretation 46 applies to any business enterprise, both public and private, that has a controlling interest, contractual relationship or other business relationship with a variable interest entity. The Company currently has no contractual relationship or other business relationship with a variable interest entity and therefore the adoption did not have an effect on its financial position or results of operations. However, if the Company enters into any such arrangement with a variable interest entity in the future, its financial position or results of operations may be adversely impacted.

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 to SFAS No. 123's fair value method of accounting for stock-based employee compensation. SFAS No. 148 also amends the disclosure provisions of SFAS No. 123 and APB Opinion No. 28, "Interim Financial Reporting," to require disclosure in the summary of significant accounting policies of the effects of an entity's accounting policy with respect to stock-based employee compensation on reported net income and earnings per share in annual and interim financial statements. While SFAS No. 148 does not amend SFAS No. 123 to require companies to account for employee stock options using the fair value method, the disclosure provisions of SFAS No. 148 are applicable to all companies with stock-based employee compensation, regardless of whether they account for that compensation using the fair value method of SFAS No. 123 or the intrinsic value method of APB Opinion 25. The Company currently does not have any stock-based employee compensations that require for disclosures.

In November 2002, the EITF reached a consensus on Issue No. 00-21, "Revenue Arrangements with Multiple Deliverables." Issue 00-21 provides guidance on how to account for arrangements that involve the delivery or performance of multiple products, services and/or rights to use assets. The provisions of Issue 00-21 will apply to revenue arrangements entered into in fiscal periods beginning after June 15, 2003. The Company does not believe that the adoption of Issue 00-21 will have a material effect on the Company's financial position, results of operations or cash flows.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." The standard requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. Examples of costs covered by the standard include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued operation, plant closing, or other exit or disposal activity. Previous accounting guidance provided by EITF Issue No. 94-3, "Liability Recognition for Certain employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring) is replaced by this Statement. SFAS No. 146 is to be applied prospectively to exit or disposal activities initiated after December 31, 2002. Management does not anticipate that the adoption of this Statement will have a significant effect on the Company's financial statements.

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." This Statement updates, clarifies and simplifies existing accounting pronouncements. The provisions of this Statement related to the rescission of Statement No. 4 are to be applied for fiscal years beginning after May 15, 2002. Any gain or loss on extinguishment of debt that was classified as an extraordinary item in prior periods presented that does not meet the criteria in Opinion No. 30 for classification as an extraordinary item should be reclassified. Provisions of the Statement related to the amendment of Statement No. 13 should be applied for transactions occurring after May 15, 2002, and all other provisions should be applied for financial statements issued on or after May 15, 2002. Management does not anticipate that the adoption of this Statement will have a significant effect on the Company's financial statements.

NOTE 3 - - PROPERTY AND EQUIPMENT

At December 31,	2003	2002
Property and Equipment		
Computer equipment	$ 1,867	$ -
Less: accumulated depreciation	(187)	-
Total	$ 1,680	$ -

NOTE 4 - - NET INCOME (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted net income (loss) per share:

Years ended December 31,	2003	2002
Numerator:		
Net income (loss)	$ 59,271	$ (2,120)
Denominator:		
Weighted average common shares	1,000	1,000
Net income (loss) per share	$ 59.27	$ (2.12)

NOTE 5 - - RELATED PARTY AND MAJOR CUSTOMER

For the years ended December 31, 2003 and 2002, a related party of which the Company's sole shareholder is the president and majority shareholder, comprised of $84,109 and $5,000 or 96.4% and 100%, respectively, of the Company's revenues.

NOTE 6 - LEASE COMMITMENTS

The Company leases office space for $500 per month on a month-to-month basis.

NOTE 7 - GUARANTEES AND PRODUCT WARRANTIES

The Company from time to time enters into certain types of contracts that contingently require the Company to indemnify parties against third party claims. These contracts primarily relate to: (i) divestiture agreements, under which the Company may provide customary indemnifications to purchasers of the Companys businesses or assets; (ii) certain real estate leases, under which the Company may be required to indemnify property owners for environmental and other liabilities, and other claims arising from the Companys use of the applicable premises; and (iii) certain agreements with the Company's officers, directors and employees, under which the Company may be required to indemnify such persons for liabilities arising out of their employment relationship.

The terms of such obligations vary. Generally, a maximum obligation is not explicitly stated. Because the obligated amounts of these types of agreements often are not explicitly stated, the overall maximum amount of the obligations cannot be reasonably estimated. Historically, the Company has not been obligated to make significant payments for these obligations, and no liabilities have been recorded for these obligations on its balance sheets as of December 31, 2003.

The Company warrants that services performed will be provided in a manner consistent with industry standards for a period of 90 days from performance of the service. To date, the Company has not incurred any material costs associated with these warranties.

NOTE 8 - SUBSEQUENT EVENT

On June 21, 2004, the Company was acquired by a public company in a stock for stock transaction. The acquisition will be accounted for as a purchase and is expected to close in the third quarter of fiscal 2004.

SALESTACTIX, INC. (F/K/A AGE RESEARCH, INC.)
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2003

ASSETS	"AGER"	"NBD"	"PROSP"	"SALES"	Adjustments		Pro Forma
Cash	$ 27	$ 36,120	$ -	$ 870	20,424	(9)	$ 57,441
Accounts receivable	1,070	-	-	-			1,070
Intercompany receivable		5,467	-	-	(5,467)	(1)	-
Other current assets		746	-	-			746
Total current assets	1,097	42,333	-	870			59,257
Property and equipment, net	-	-	-	1,680	56,600	(4)	58,280
Intangible assets, net	-	-	83,333	-	5,969,706	(4)	14,047,947
					5,597,450	(7)	
					2,397,458	(8)	
Other Assets	-	1,579	-	-	6,000,000	(2)	1,579
					26,306	(3)	
					(6,026,306)	(4)	
					5,600,000	(5)	
					(2,550)	(6)	
					(5,597,450)	(7)	
					2,400,000	(8)	
					(2,400,000)	(9)	
TOTAL ASSETS	$ 1,097	$ 43,912	$ 83,333	$ 2,550			$ 14,167,063
LIABILITIES AND SHAREHOLDERS' DEFICIT							
Accounts payable and accrued expenses	$ 12,221	$ 14,273	$ 13,986	$ -	17,882	(9)	$ 58,362
Deferred revenue	-	17,550	47,175	-			64,725
Intercompany payable	-	-	5,467	-	(5,467)	(1)	-
Notes payable to officers	14,800	48,100	7,000	-			69,900
Total current liabilities	27,021	79,923	73,628	-			192,987
Shareholders' capital	935,023	5,000	125,000	2,000	6,000,000	(2)	14,935,023
					(130,000)	(3)	
					5,600,000	(5)	
					(2,000)	(6)	
					2,400,000	(8)	
Accumulated deficit	(960,947)	(41,011)	(115,295)	550	156,306	(3)	(960,947)
					(550)	(6)	
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 1,097	$ 43,912	$ 83,333	$ 2,550			$ 14,167,063

SALESTACTIX, INC. (F/K/A AGE RESEARCH, INC.)
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

DECEMBER 31, 2003

	"AGER"	"NBD"	"PROS"	"SALES"	Adjustments	Pro Forma
Revenues	$ 6,796	$ 602,626	$ 46,107	$ 87,266		$ 742,795
Cost and expenses:						
Cost of revenues	885	309,787	37,517	2,200		350,389
Amortization of intangible assets	-	-	41,667	-	2,792,923 (12)	2,834,590
Selling, general and administrative	144,541	331,577	81,187	25,238		582,543
	145,426	641,364	160,371	27,438		3,767,522
Operating (loss)	(138,630)	(38,738)	(114,264)	59,828		(3,024,727)

Other income (expenses)	(628)	(1,473)	(230)	(557)		(2,888)
(Loss) before income taxes	(139,258)	(40,211)	(114,494)	59,271		(3,027,615)
Income taxes(11)	800	800	800	-		2,400
Net (loss)	$ (140,058)	$ (41,011)	$ (115,294)	$ 59,271		$ (3,025,215)
Net (loss) per share-basic and diluted	$ (0.06)	$ (8.20)	$ (0.01)	$ 59.27		$ (0.90)
Weighted average number of shares (10)	2,181,218	5,000	10,000,000	1,000	1,166,667	3,347,885

SALESTACTIX, INC. (F/K/A AGE RESEARCH, INC.)
NOTES TO PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNADUITED)

DECEMBER 31, 2003

NOTE 1 - BASIS OF PRESENTATION

On June 20, 2004, SalesTactix, Inc. (F/k/a Age Research, Inc., "STCX" or "SALESTACTIX") acquired all outstanding shares of NBD Marketing, Inc. ("NBD") in exchange for 7,500,000 shares of STCX common stock Prior to, and in connection with, the NBD transaction, NBD acquired all of the issued and outstanding shares of ProspectWorks, Inc. ("PROSPECTWORKS") in exchange for 340 shares of NBD common stock. As a result of these transactions, NBD became a wholly-owned subsidiary of SALESTACTIX, and PROSPECTWORKS became its indirect, wholly-owned subsidiary.

On June 21, 2004, SALESTACTIX acquired all outstanding shares of SalesWare, Inc. ("SALESWARE") in exchange for 7,000,000 shares of STCX common stock.
On June 22, 2004, SALESTACTIX acquired certain assets and liabilities, including customer contracts and intellectual property of CRM SalesWare, Inc. ("CRM") through its acquisition subsidiary, xSellsys, Inc. ("XSELLSYS"). XSELLSYS acquired certain assets and liabilities of CRM in exchange for the issuance of 1,000 shares of its common stock, constituting 100% of its issued and outstanding shares, to CRM SalesWare. Shortly thereafter, the SALESTACTIX acquired all of the outstanding shares of XSELLSYS for 3,000,000 shares of its common stock to CRM, the sole shareholder of XSELLSYS, in exchange for all of the outstanding shares of XSELLSYS. CRM intends to distribute the shares of the STCX common stock it acquired to its shareholders.

The accompanying unaudited pro forma combined condensed balance sheet is presented as if the acquisitions occurred on December 31, 2003. The unaudited pro forma and combined statement of operations is presented as if the acquisitions had occurred on January 1, 2003. All material adjustments to reflect the acquisitions are set forth in the column "Pro Forma Adjustments."

The pro forma data is for informational purposes only and may not necessarily reflect future results of operations or financial position or what the results of operations or financial position would have been had STCX, NBD, PROSPECTSWORKS, SALESWARE and CRM been operating as combined entities for the period presented. The unaudited pro forma combined condensed financial statements should be read in conjunction with the historical financial statements, including notes thereto, of STCX, NBD, PROSPECTSWORKS, SALESWARE and CRM included in our Form 10-KSB for the year ended December 31, 2003, and with the historical financial statements of NBD, PROSPECTWORKS, SALESWARE AND CRM included elsewhere in this Form 8-K.
In accordance with the rules and regulations of the SEC, unaudited financial statements may omit or condense information and disclosures normally required for a complete set of financial statements prepared in accordance with generally accepted accounting principles. However, management believes that the notes to the financial statements contain disclosures adequate to make the information presented not misleading.

The pro forma financial statements are prepared in conformity with generally accepted accounting principles, which require management to make estimates that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

The unaudited pro forma financial statements are presented for illustrative purposes only and are not necessarily indicative of the future financial position or future results of operations of the combined company

The pro forma financial statements have been prepared on the basis of assumptions relating to the allocation of the consideration paid to the acquired assets and liabilities of NBD, PROSPECTWORKS, SALESWARE and CRM, based on management's best estimates.

NOTE 1 - - BASIS OF PRESENTATION (Continued)

Following is a summary of the preliminary estimate of the total purchase price for the NBD, PROSPECTWORKS, SALESWARE AND CRM acquisitions (in thousands, as of December 31, 2003):

NBD and PROSPECTWORKS

Value of 7,500,000 shares of STCX common stock issued	$ 6,000	
Liabilities assumed	148	
Total purchase price		$ 6,148

SALESWARE

Value of 7,000,000 shares of STCX common stock issued	$ 5,600
Liabilities assumed	-
Total purchase price	$ 5,600

XSELLSYS and CRM

Value of 3,000,000 shares of STCX common stock issued	$ 2,400
Liabilities assumed	18
Total purchase price	$ 2,418

Management is in the process of obtaining a final allocation of the purchase price. Based upon the preliminary estimate of fair market values of the assets acquired, the purchase price was allocated for the NBD and PROSPECTSWORKS, SALESWARE, AND CRM acquisitions as follows (in thousands, as of December 31, 2003):

NOTE 1 - - BASIS OF PRESENTATION (Continued)

	NBD and PROSPECTWORKS	SALESWARE	CRM SALESWARE	TOTAL
Current assets	$ 38	$ 1	$ 20	$ 59
Property and equipment	57	2	0	59
Identified intangible assets	6,053	5,597	2,398	14,048
	$ 6,148	$ 5,600	$ 2,418	$ 14,166

Set forth in the table below is a list of the intangible assets, by category, the preliminary value attributable to, and the amortization period applicable to, each such category. The allocation of the purchase price to specific assets is based upon independent valuations of long-lived assets acquired.

	(In thousands)	Est. Useful (lives)
Software Development	$ 83	3 years
Completed Technology	8,368	5 years
Acquired contract	5,597	5 years
	$ 14,048	

NOTE 2 - - PRO FORMA ADJUSTMENTS

The following pro forma adjustments have been made to the historical financial statements of the combined company based upon assumptions made by management for the purpose of preparing the unaudited pro forma condensed consolidated statement of operations and the pro forma condensed consolidated balance sheet.

1. To eliminate intercompany transactions.
2. To record the issuance of 7,500,000 shares of STCX common stock in connection with the acquisition of NBD and PropectsWorks.
3. Adjustment to eliminate the existing equity of NBD and ProspectsWorks.
4. To record the allocation of the purchase price of NBD and ProspectsWorks to the estimated fair values of assets and liabilities assumed.
5. To record the issuance of 7,000,000 shares of STCX common stock in connection with the acquisition of SalesWare.
6. Adjustment to eliminate the existing equity of Salesware.
7. To record the allocation of the purchase price of Salesware to the estimated fair values of assets and liabilities assumed.
8. To record the issuance of 3,000,000 shares of STCX common stock in connection with the acquisition of CRM's assets and liabilities.
9. To record the allocation of the purchase prices of CRM to the estimated fair values of assets and liabilities assumed.
10. To adjust retroactively to reflect the reverse split of 1 for 35 shares of common stock in connection with the acquisition.
11. To reflect income taxes on a pro forma basis assuming the transaction took place at the beginning of the period presented and SalesWare was a C corporation in 2003.
12. To reflect amortization expense related to the intangible assets identified from the acquisitions.

NOTE 3 - - PRO FORMA NET (LOSS) PER COMMON SHARE

The unaudited pro forma basic and diluted net (loss) per share are based on the weighted average number of shares of STCX common stock outstanding during each period and the number of shares of STCX common stock to be issued in connection with the acquisitions.

SALESTACTIX, INC. (FKA AGE RESEARCH, INC.)

CONSOLIDATED BALANCE SHEET (Unaudited)
June 30, 2004

ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 47,322
Accounts Receivable	36,285
Prepaid Expenses and Others	746
Total Current Assets	84,353
Property and Equipment, net	61,075
Intangible assets, net	14,045,952
Other assets	1,922
TOTAL ASSETS	$ 14,193,302
LIABILITIES AND STOCKHOLDERS' EQUTIY	
Current Liabilities	
Accounts Payable	$ 27,181
Accrued Expenses	61,477
Deferred Revenue	84,694
Officers' Loan	66,947
Total Current Liabilities	240,299
Stockholders' Deficit	
Common Stock, $0.001 par value; 750,000,000 shares authorized; 2,335,980 shares issued and outstanding	2,336
Common Stock to be issued	22,000
Paid-in Capital	18,516,987
Deferred Consulting Expenses	(3,600,000)
Accumulated Deficit	(988,320)
Total Stockholders' Equity	13,953,003
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 14,193,302

SALESTACTIX, INC. (FKA AGE RESEARCH, INC.)

CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

	For the Three Months ended June 30,		For the Six Months ended June 30,	
	2004	2003	**2004**	2003
Revenues	**$ 14,021**	$ 1,731	**$ 14,021**	$ 3,913
Cost and Expenses				
Cost of Revenues	**5,478**	202	**5,478**	532
Selling, General and Administrative	**31,620**	76,700	**33,793**	80,328
Total Costs and Expenses	**37,098**	76,902	**39,271**	80,860
Operating (loss)	**(23,077)**	(75,171)	**(25,250)**	(76,947)
Other Income (Expenses)				
Interest and Other Income	**-**	97	**-**	97
Interest Expense	**(301)**	(187)	**(523)**	(325)
Total other income(expenses)	**(301)**	(90)	**(523)**	(228)
Net (Loss) Before Taxes	**(23,378)**	(75,261)	**(25,773)**	(77,175)
Provision for Income Taxes	**800**	-	**1,600**	800

Net (Loss)	**$ (24,178)**	$ (75,261)	**$ (27,373)**	$ (77,975)
Net (loss) per share-Basic and Diluted	**$ (0.00)**	$ (0.03)	**$ (0.00)**	$ (0.04)
Weighted Average Number of Shares	9,669,313	2,212,171	6,002,647	2,088,361

SALESTACTIX, INC. (FKA AGE RESEARCH, INC.)

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

For Six Months ended June 30,	**2004**	2003
Cash Flow From Operating Activities		
Net (loss)	**$ (27,373)**	$ (77,975)
Adjustments to reconcile net (loss) to net cash (used in) operating activities:		
Stock for services	**-**	130,000
(Increase) Decrease in:		
Accounts Receivable	**7,357**	(291)
Unamortized stock expenses	**-**	(56,761)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	**14,815**	(28)
Cash flows (used in) operating activities	**(5,201)**	(5,055)
Cash Flow From Investing Activities		
Cash increase due to acquisitions	**46,298**	-
Cash flows provided by investing activities	**46,298**	-
Cash Flow From Financing Activities		
Shareholders' contributions	**6,300**	-
Proceeds from (Repayments to) Officers' Loan	**(102)**	5,200
Cash flows provided by financing activities	**6,198**	5,200
Net increase in cash and cash equivalents	**47,295**	145
Cash and cash equivalents, at beginning of period	**27**	310
Cash and cash equivalents, at end of period	**$ 47,322**	$ 455
Noncash investing and financing activities:		
Common stock to be issued for:		
Business acquisitions	**$14,000,000**	$ -
Deferred consulting expenses	**3,600,000**	-
	$17,600,000	$ -

NOTE 1 - - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business SalesTactix, Inc. (formerly known as Age Research, Inc., the "Company" or "SalesTactix") historically produced and sold a line of premium skin care products to physicians and mail order. The Company has developed its own line of dermatologist-formulated skin care products including moisturizers, cleaners, sunscreens, and anti-aging emollients with glycolic acid. The products are sold under the name of RejuvenAge, which is trademarked in United States and United Kingdom, and name of Bladium, which is trademarked in United States. Commencing January 1, 2004, the Company ceased operation.

In June 2004, in a series of transactions, the Company has acquired all of the outstanding capital stock of NBD Marketing, Inc. and its wholly-owned subsidiary, ProspectWorks, Inc., SalesWare Inc., (a Nevada corporation), and has formed an acquisition subsidiary, xSellsys, Inc. to acquire certain assets and liabilities of CRM Salesware, Inc.

NBD Marketing, Inc. and ProspectWorks, Inc. develop and provide sales opportunities in the form of sales leads and sales appointments for its client company's sales forces. CRM SalesWare, Inc. has developed and markets a Linux based sales force automation software platform branded as xSellsys. Salesware, Inc. is a sales organization selling sales force automation solutions and sales training nationally. These businesses combine to offer hosted sales force automation (SFA) solution for small- and mid-size businesses.

Following the completion of the acquisitions, the Company changed its name to SalesTactix, Inc.

Presentation of Interim Information: The financial information at June 30, 2004 and for the three and six months ended June 30, 2004 and 2003 is unaudited but includes all adjustments (consisting only of normal recurring adjustments) that the Company considers necessary for a fair presentation of the financial information set forth herein, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information, and with the instructions to Form 10-QSB. Accordingly, such information does not include all of the information and footnotes required by U.S. GAAP for annual financial statements. For further information refer to the Financial Statements and footnotes thereto included in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2003.

The results for the three and six months ended June 30, 2004 may not be indicative of results for the year ending December 31, 2004 or any future periods.
Principle of Consolidation: The accompanying consolidated financial statements include the accounts of SalesTactix, Inc. and its subsidiaries, after elimination of all intercompany accounts and transactions. Certain prior period balances have been reclassified to conform to the current period presentation.

Net Loss Per Share Basic net loss per share includes no dilution and is computed by dividing net loss available to common stockholders by the weighted average number of common stock outstanding for the period. Diluted net loss per share does not differ from basic net loss per share due to the lack of dilutive items in the Company.

New Accounting Standards: In December 2003, the SEC issued Staff Accounting Bulletin (SAB) No. 104, "Revenuer Recognition," which codifies, revises and rescinds certain sections of SAB No. 101, "Revenue Recognition," in order to make this interpretive guidance consistent with current authoritative accounting and auditing guidance and SEC rules and regulations. The changes noted in SAB No. 104 did not have a material effect on the Company's results of operations, financial positions or cash flows.

NOTE 2 - BUSNIESS ACQUISITIONS

NBD Marketing, Inc. and ProspectWorks, Inc.

On June 20, 2004, the Company acquired all outstanding shares of NBD Marketing, Inc. ("NBD") pursuant to the terms and conditions of a Stock Purchase Agreement. Under the NBD Agreement, the Company issued 7,500,000 shares of the Company's common stock, valued at $0.80 per share which is the average price of SalesTactix common stock over the five trading days immediately preceding and two trading days immediately following June 20, 2004, to NBD shareholders in exchange for all of the outstanding shares of NBD. Prior to, and in connection with, the NBD transaction, NBD acquired all of the issued and outstanding shares of ProspectWorks, Inc. ("PropsectWorks") in exchange for 340 shares of NBD common stock. As a result of these transactions, NBD became a wholly-owned subsidiary of the Company, and PropsectWorks became its indirect, wholly-owned subsidiary. The Company believes that the acquisition will expand the business markets for Hosted Sales for Automation (SFA).

The acquisitions were accounted for as purchase transaction under Statements of Financial Accounting Standards (SFAS) No. 141, and accordingly, the tangibles assets acquired were recorded at their fair value at the date of the acquisition. The results of operations of NBD and Prospect Works have been included in the Company's consolidated financial statements subsequent to the date of acquisition.

The purchase price was approximately $6 million. Direct transaction costs incurred in connection with the acquisition were immaterial. The allocation of the purchase price to assets acquired and liabilities assumed is presented in the table that follows:

Tangible assets acquired	$ 46,197
Property and equipment	56,600
Intangible assets	6,027,140
Liabilities assumed	(129,937)
Total purchase price	$ 6,000,000

SalesWare, Inc.
On June 21, 2004, the Company acquired all of the issued and outstanding common stock of SalesWare, Inc. pursuant to the terms and conditions of a Stock Purchase Agreement. Under the SalesWare Agreement, the Company issued 7,000,000 shares of its common stock, valued at $0.80 per share which is the average price of SalesTactix common stock over the five trading days immediately preceding and two trading days immediately following June 21, 2004, to the SalesWare shareholders in exchange for all of the outstanding shares of SalesWare. The Company believes that the acquisition will expand the business markets for Hosted Sales for Automation (SFA).

The acquisition was accounted for as purchase transaction under SFAS No. 141, and accordingly, the tangibles assets acquired were recorded at their fair value at the date of the acquisition. The results of operations of Salesware have been included in the Company's consolidated financial statements subsequent to the date of acquisition.

NOTE 2 - BUSINESS ACQUISITIONS (Continued)

The purchase price was approximately $5.6 million. Direct transaction costs incurred in connection with the acquisition were immaterial. The allocation of the purchase price to assets acquired and liabilities assumed is presented in the table that follows:

Tangible assets acquired	$ 1,948
Property and equipment	1,307
Intangible assets	5,596,745
Total purchase price	$ 5,600,000

xSellsys, Inc.

On June 22, 2004, the Company acquired certain assets and liabilities, including customer contracts and intellectual property of CRM SalesWare, Inc. ("CRM") through its acquisition subsidiary, xSellsys, Inc. ("xSellsys"). xSellsys acquired certain assets and liabilities of CRM in exchange for the issuance of 1,000 shares of its common stock, constituting 100% of its issued and outstanding shares, to CRM. Shortly thereafter, the Company acquired all of the outstanding shares of xSellsys for 3,000,000 shares of its common stock to CRM, the sole shareholder of xSellsys, in exchange for all of the outstanding shares of xSellsys. CRM intends to distribute the shares of SalesTactix common stock it acquired to its shareholders. The purchase price valued at $0.80 per share, which is the average price of SalesTactix common stock over the five trading days immediately preceding and two trading days immediately following June 22, 2004. The Company believes that the acquisition will expand the business markets for Hosted Sales for Automation (SFA).

The acquisition was accounted for as purchase transaction under SFAS No. 141, and accordingly, the tangibles assets acquired were recorded at their fair value at the date of the acquisition. The results of operations of xSellsys have been included in the Company's consolidated financial statements subsequent to the date of acquisition.

The purchase price was approximately $2.4 million. Direct transaction costs incurred in connection with the acquisition were immaterial. The allocation of the purchase price to assets acquired and liabilities assumed is presented in the table that follows:

Tangible assets acquired	$43,393
Property and equipment	3,168
Intangible assets	2,422,067
Liabilities assumes	(68,628)
Total purchase price	$ 2,400,000

NOTE 2 - BUSNIESS ACQUISITIONS (Continued)

Identified intangible assets acquired in connection with the acquisitions of NBD, Prospects, Salesware and xSellsys consist primarily of completed technology and acquired contracts. These intangible assets are amortized using the straight-line method over their estimated useful lives of 3 to 5 years.

	Gross Carrying Amount	Accumulated Amortization	Net	Weighted Average Life
Software Development	$ 125,000	$ 62,500	$ 62,500	3 years
Completed Technology	8,386,707	-	8,386,707	5 years
Acquired Contracts	5,596,745	-	5,596,745	5 years
Total intangibles	$ 14,108,452	$ 62,500	$ 14,045,952	

The estimate annual amortization expense related to the identified intangible assets acquired in connection with the acquisitions, assuming no impairment of the underlying assets, is as follows:

Years ended December 31,	
2004 (July 1, 2004 to December 31, 2004)	$ 1,419,179
2005	2,838,358
2006	2,796,690
2007	2,796,690
Thereafter	4,195,035
Total amortization	$ 14,045,952

Unaudited Pro Forma Financial Information

The following unaudited pro forma net revenue, net income and net income per share data for the six months ended June 30, 2004 is based on the respective historical financial statements of the acquired companies. The pro forma data reflects the consolidated results of operations as if the acquisitions of NBD, SalesWare, and xSellsys occurred at the beginning of the period indicated. The pro forma financial data presented are not necessarily indicative of the Company's results of operations that might have occurred had the transactions been completed at the beginning of the periods specified, and do not purport to represent what the Company's consolidated results of operations might be for any future period.

	Six Months Ended June 30, 2004
Net revenue	$ 509,747
Net (loss)	$ (1,415,237)
Basic and diluted net loss per share	$ (0.06)
Shares used in basic and diluted net loss per share calculation	24,335,980

NOTE 3 - REVERSE STOCK SPLIT

On June 1, 2004, the Company filed a Certificate of Amendment to its Certificate of Incorporation with the Delaware Secretary of State, pursuant to which the Company effectuated a reverse stock split in an exchange ratio of one newly issued share for each thirty-five shares of its common stock outstanding, thereby decreasing the number of issued and outstanding shares to 2,335,980. The Board of Directors also amended its articles of incorporation to increase its authorized shares of common stock from 300,000,000 to 750,000,000 shares, and to maintain the par value of the stock at $0.001. The accompanying consolidated financial statements have been retroactively adjusted to reflect the reverse stock split.

NOTE 4 - NET LOSS PER SHARE

	Three Months ended June 30,		Six Months ended June 30,	
	2004	2003	2004	2003
Numerator:				
Net (Loss)	$ (24,178)	$ (75,261)	$ (27,373)	$ (77,975)
Denominator:				

Weighted Average Number of Shares	9,669,313	2,212,171	6,002,647	2,088,361
Loss per share-Basic and Diluted	$ (0.00)	$ (0.03)	$ (0.00)	$ (0.04)

NOTE 5 - BUSINESS CONSULTING

On June 22, 2004, the Company and NeoTactix (NTX) entered into a Business Consulting Agreement pursuant to which Neotactix agreed to provide certain business consulting services to the Company as specified in the Agreement, In exchange for such services, the Company agreed to issue 4,500,000 shares of the Company's common stock. The Company and NTX agree that the compensation shares issued the Company to affiliates of NTX shall be cancelled and returned to the Company if, prior to October 31, 2005, the Company has not achieved at least one of the following benchmarks:

a. Gross revenues of the Company for a calendar month shall have reached at least of $1,000,000.
b. EBITDA of the Company for a calendar month shall have reached at least $200,000.
c. Total market capitalization of the Company, measured as the current stock price (or if there is no stock price, then the value determined on a going concern basis) on a particular date multiplied by the number of outstanding securities of the Company on a fully diluted basis, including all classes of shares and all classes of debt securities, including convertible debt securities, shall average $25,000,000 for a period of 30 consecutive days.

As of June 30, 2004, none of the above benchmarks has occurred. The services, valued at $3.6 million, were deferred until the performances commit.

NOTE 6 - SEGMENT INFORMATION

FASB Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information," establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker is the Chief Executive Officer. The Company is organized by line of business. While the Chief Executive Officer evaluates results in a number of different ways, the line of business management structure is the primary basis for which the allocation of resources and financial results are assessed. The Company has three major line of business operating segments: software licensing, consulting and training, and printing services.

The software licensing line of business includes sale, licensing and updating of the base program. The consulting and training line of business assists customers in the rapid design, implementation, deployment, upgrade and migration of the company's database technology and applications software, as well as on-site technical services, and the printing services designs, complies and prints catalogs, flyers and brochures in the office furniture industry.

The Company does not track assets by operating segments. Consequently, it is not practical to show assets by operating segments.

The following table presents a summary of operating segments:

	Three Months Ended June 30, 2004	Six Months Ended June 30, 2004
Software Licensing:		
Revenues		$ 0
Hardware and materials	0	0
Margin	$ 0	$ 0
Consulting and Training		
Revenues	$ 0	$ 0
Cost of services	0	0
Margin	$ 0	$ 0
Printing:		
Revenues	$ 14,021	$ 14 ,021
Cost of services	5,478	5,478
Margin	$ 8,543	$ 8,543
Totals:		
Revenues	$	$ 14,021
Expenses	5,478	5,478
Margin	$ 8,543	$ 8,543

Reconciliation of operating segment margin to net loss:

	Three Months Ended June 30, 2004	Six Months Ended June 30, 2004
Total margin for reportable segment	$ 8,543	$ 8,543
General and administrative expenses	(31,620)	(33,793)
Other expenses	(301)	(533)
Net (loss) before tax	$ (23,378)	$ (25,733)

NOTE 7 - RELATED PARTY TRANSACTIONS

An officer used to make payments to purchase inventory on behalf of the Company. As of June 30, 2004, the balance due to the officer related

the purchases were $2,116. The Company also has notes payable to this officer in the amount of $14,800, accruing interest at 6% per annum. The note is due on demand.
The subsidiaries also have notes payable to their officers in the amount of $66,947at June 30, 2004. The notes carry interest at 6% per annum and are due on demand.

NOTE 8 - GUARANTEES

The Company from time to time enters into certain types of contracts that contingently require the Company to indemnify parties against third-party claims. These contracts primarily relate to (i) divestiture agreements, under which the Company may provide customary indemnifications to purchasers of the Company's businesses or assets; and (ii) certain agreements with the Company's officers, directors and employees, under which the Company may be required to indemnify such persons for liabilities arising our of their employment relationship.

The terms of such obligations vary. Generally, a maximum obligation is not explicitly stated. Because the obligated amounts of these types of agreements often are not explicitly stated, the overall maximum amount of the obligation cannot be reasonably estimated. Historically, the Company has not been obligated to make significant payments for these obligations, and no liabilities have been recorded for these obligations on its balance sheet as of June 30, 2004.

The Company's software license agreements generally include certain provisions for indemnifying customers against liabilities if the software products infringe a third party's intellectual property rights. To date, the Company has not incurred any material costs as a result of such indemnifications and has not accrued any liabilities related to such obligations in the consolidated financial statements. The agreements also generally include a warranty that the Company's software products will substantially operate as described in the applicable program documentation for a period of one year after delivery. The Company also warrants that services performed will be provided in a manner consistent with industry standards for a period of 90 days from performance of the service. To date, the Company has not incurred any material costs associated with these warranties.

NOTE 9 - GOING CONCERN

The Company's consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. Operations to date have been significantly financed by debt and equity transactions. At June 30, 2004, the Corporation requires additional financing to continue to operate at current levels throughout the year. Accordingly, the Corporation's future operations are dependent upon the identification and successful completion of additional long-term or permanent equity financing, the continued support of creditors and stockholders, and, ultimately, the achievement of profitable operations. There can be no assurances that the Corporation will be successful. If it is not, the Corporation will be required to reduce operations or liquidate assets. The Corporation will continue to evaluate its projected expenditures relative to its available cash and to seek additional means of financing in order to satisfy its working capital and other cash requirements. The consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Corporation be unable to continue as a going concern.

NOTE 10 -SUBSEQUENT EVENT

On August 2, 2004, the Company changed its name to SalesTactix, Inc.