

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-QSB

- Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934 For the Quarter Ended: June 30, 2005
- Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934 For the Transition Period from _____ to _____

Commission File Number: 0-26285

SALESTACTIX, INC.

(Name of Small Business Issuer in its charter)

Delaware

87-0419387

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer I.D. No.)

18101 Von Karman Avenue, Suite 330, Irvine, California 92612

(Address of principal executive offices and Zip Code)

(888) 798-9200

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

- (1) Yes No
(2) Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Title of Class	Number of Shares Outstanding as of March 31, 2005 (not including shares issued in connection with transactions referenced in Item 2 of Part II of this Report)
Common Stock, Par Value \$0.001	6,835,980

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Except as otherwise noted in this report, "SalesTactix" the "Company," "we," "us" and "our" collectively refer to SalesTactix, Inc. and our subsidiaries.

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

BALANCE SHEET (Unaudited)
June 30, 2005

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities	
Accounts Payable and Accrued Expenses	\$ 215,308
Short-term Notes Due to Related Parties	99,336
Total Current Liabilities	<u>314,644</u>
Stockholders' Deficit	
Common Stock, \$0.001 par value, 750,000,000 shares authorized, 6,835,987 shares issued and outstanding	6,836
Paid-in Capital	4,528,187
Deferred Consulting Expenses	(3,600,000)
Accumulated Deficit	(1,249,667)
Total Stockholders' Deficit	<u>(314,644)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ -</u>

See notes to interim unaudited financial statements

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

STATEMENTS OF OPERATIONS (Unaudited)

	For Three Months Ended June 30,		For Six Months Ended June 30,	
	2005	2004 (Restated)	2005	2004 (Restated)
Operating Expenses:				
Selling, General and Administrative	\$ (942)	\$ 10,072	\$ 8,458	\$ 12,245
Operating Income (Loss)	942	(10,072)	(8,458)	(12,245)
Other Income (Expenses)				
Interest and Other Income	-	-	2,000	-
Interest Expense	(7,802)	(222)	(15,065)	(444)
Total Other Income (Expenses)	<u>(7,802)</u>	<u>(222)</u>	<u>(13,065)</u>	<u>(444)</u>
Net (Loss) Before Taxes	(6,860)	(10,294)	(21,523)	(12,689)
Provision for Income Taxes	-	-	800	800
Net (Loss)	<u>\$ (6,860)</u>	<u>\$ (10,294)</u>	<u>\$ (22,323)</u>	<u>\$ (13,489)</u>
Net (loss) per share-Basic and Diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>

Weighted Average Number of Shares	6,835,987	3,835,987	6,835,987	3,085,987
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See notes to interim unaudited financial statements

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

STATEMENTS OF CASH FLOWS (Unaudited)

For Six Months Ended June 30,	2005	2004 (Restated)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss	\$ (22,323)	\$ (13,489)
Adjustments to Reconcile Net Loss to Net Cash Used in Operations:		
Gain on Sale of Trademarks	(2,000)	-
Decrease in:		
Accounts Receivable	-	1,019
Increase in:		
Accounts Payable and Accrued Expenses	15,123	6,188
Net Cash flows Used in Operating Activities	(9,200)	(6,282)
CASH FLOW FROM INVESTING ACTIVITIES:		
Net Cash Flows Provided by Investing Activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Shareholders' Contributions	-	6,300
Proceeds from Officers' Loan	9,200	-
Net Cash Flows Provided by Financing Activities	9,200	6,300
Net Increase in Cash and Cash Equivalents	-	18
Cash and Cash Equivalents, at Beginning of Period	-	27
Cash and Cash Equivalents, at End of Period	\$ -	\$ 45
Supplemental Disclosures		
Noncash investing and financing activities:		
Disposal of two trademarks to reduce accounts payable	<u>\$ 2,000</u>	

See notes to interim unaudited financial statements

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

NOTES TO INTERIM UNAUDITED FINANCIAL STATEMENTS

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 produces 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.

On August 2, 2004, the Company changed its name to SalesTactix, Inc. The Company is planning to change its name to Strativation, Inc.

Presentation of Interim Information: The financial information at June 30, 2005 and for the three and six months ended June 30, 2005 and 2004 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, 2004.

The results for the three and six months ended June 30, 2005 may not be indicative of results for the year ending December 31, 2005 or any future periods.

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 since potential shares of common stock are anti-dilutive for all periods presented.

Note 2 – Rescission of Business Acquisitions

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., and has formed an acquisition subsidiary, xSellsys, Inc. to acquire certain assets and liabilities of CRM Salesware, Inc.

On October 6, 2004, the acquired companies filed a lawsuit against the Company in Superior Court of the State of California, County of Orange, Central Justice Center. The acquired companies wished to rescind and unwind the acquisitions. On November 15, 2004, the acquired companies and the Company entered into a settlement and mutual release agreement stating (i) that such rescission be effective immediately; (ii) that the acquired companies and the Company be placed in as close a position as possible as they would have been had the following agreements not been entered into; (iii) that the acquired companies and the Company shall have no further obligations or liabilities under the Rescinded Agreements; (iv) that

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

NOTES TO INTERIM UNAUDITED FINANCIAL STATEMENTS

for tax purposes, the acquired companies and the Company agree to treat the following transactions as rescinded immediately and shall not to take any position inconsistent to such rescission for the purposes of any state, federal or local tax returns or taxes; (v) that any shares of the Company or xSellsys, Inc. issued as consideration under the Rescinded Agreements shall be voided; and (vi) that the Company will immediately execute any and all stock powers and/or other documents that acquired companies deem necessary or advisable to effect the rescission of the Rescinded Agreements and the return of the shares and/or assets of CRM Salesware, Salesware, NBD and ProspectWorks to their original owners. The accompanying financial statements for the three and six months ended June 30, 2004 have been retroactively adjusted to reflect the unwinding acquisitions.

According to the settlement and mutual release agreement, the Company shall file a fictitious business name statement to conduct business under a name other than and dissimilar to "SalesTactix," "xSellsys," "xSellsys.com," "xSellsys CRM," "SAMsys," "My Status Card," "Salesware" and "ProspectWorks".

Moreover, the Company agrees that for a period of three years following the effective date of settlement and mutual release agreement, will not knowingly, after having made a reasonable inquiry, solicit the acquired companies' business; existing customers; past, current or future employees.

Note 3 – Going Concern

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. Presently, the Company is not operating and expects no fund will be generated from operations in the near future. 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.

Note 4 – Accounts Payable & Accrued Expenses

Accounts Payable and Accrued expenses at June 30, 2005 consist of:

Accrued Legal & Professional Fees	\$	204,549
Accrued Interest		8,799
State Income Tax Payable		1,844
Other Liabilities		116
Total	\$	<u>215,308</u>

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

NOTES TO INTERIM UNAUDITED FINANCIAL STATEMENTS

Note 5 – Net Loss per Share

The following table sets forth the computation of basic and diluted net loss per share as of June 30, 2005, and 2004.

	2005	2004
Numerator:		
Net Loss	\$ (22,323)	\$ (13,489)
Denominator:		
Weighted Average Number of Shares	6,835,987	3,085,987
Loss per share-Basic and Diluted	\$ (0.00)	\$ (0.00)

As the Company incurred net losses for the three and six months ended June 30, 2005 and 2004, the effect of dilutive securities totaling 19,178 equivalent shares has been excluded from the calculation of diluted loss per share for all periods because their effect was anti-dilutive.

Note 6 – Segment Information

SFAS No. 131 “Disclosures about Segments of an Enterprise and Related Information” requires that a publicly traded company must 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

A former officer used to make payments to purchase inventory on behalf of the Company. As of June 30, 2005, the Company has notes payable to the former officer in the amount of \$14,800 and two other officers in the amount of \$70,536, accruing interest at 6% per annum. The notes are due on demand.

There is a note payable to a related party for \$14,000, which is convertible at 70% of the average trading of the three lowest closing bid prices of the Company’s common stock within the first (7) seven days of trading at the effective date of the note.

Note 8 – Sale of Trademark

On March 29, 2005, the Company sold its trademarks, RejuvenAge and Bladium to a former officer. The consideration was reduction of the Company’s liabilities owing to the former officer in the amount of \$2,000. The Company recognized the gain under other income.

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

NOTES TO INTERIM UNAUDITED FINANCIAL STATEMENTS

Note 9 – 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 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 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, 2005.

Note 10 – Contingency

On February 1, 2005, the Company was suspended by the Secretary of State of California due to non-compliance of prior years’ taxes in the amount of \$1,391.

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

Disclaimer Regarding Forward Looking Statements

Certain statements contained in this Report of Form 10-QSB 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.

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.

In a series of transactions consummated in June 2004, the terms of which are further described in a Form 8-K filed on June 24, 2004 and in Item 5 of Part II of this 10QSB report, we acquired all of the outstanding capital stock of NBD Marketing, Inc., a California corporation, or NBD, and SalesWare Inc., a Nevada corporation, or SalesWare, and formed an acquisition subsidiary, xSellsys, Inc., a California corporation, or xSellsys, to acquire substantially all of the assets and liabilities of CRM SalesWare, Inc., a California corporation, or CRM SalesWare. As a result of the consummation of the above transactions, as further described below, SalesWare, NBD, and xSellsys became our wholly-owned subsidiaries and ProspectWorks, Inc., a Nevada corporation and a subsidiary of NBD, ProspectWorks, became an indirect, wholly-owned subsidiary of the Company.

As a result of the acquisition of SalesWare, Inc., on August 2, 2004, we filed a Certificate of Amendment to its Articles of Incorporation with the Delaware Secretary of State pursuant to which we changed our corporate name to "SalesTactix, Inc." The name change became effective upon the filing of the Certificate of Amendment. Our board of directors and our stockholders holding at least a majority of the voting power of its common stock approved the corporate name change. The Certificate of Amendment was filed as Exhibit 16 to a Form 8-K filed on August 5, 2004.

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On October 6, 2004, the Acquired Companies, William Noonan, Vincent Michael Keyes III, and Thomas Ketchum filed a complaint in Orange County Superior Court, Case No. 04CC00669 against us, Scott Absher, George LeFevre and Mark Absher (the Acquired Companies collectively with us, William Noonan, Vincent Michael Keyes III, Thomas Ketchum, Scott Absher, George LeFevre and Mark Absher, the "Parties") (the "Dispute").

On November 15, 2004, we entered into a Settlement and Mutual Release Agreement ("Settlement Agreement") together with each of the other Parties to the Dispute whereby (i) the acquisition agreements by and among the Parties are rescinded including an asset purchase agreement and certain stock purchase agreements; (ii) certain assets owned by SalesTactix, Inc. and xSellsys are to be transferred to certain of the other Parties; (iii) certain trademarks and tradenames owned by certain of the Parties are to be transferred to CRM SalesWare; and (iv) our outstanding shares owned by the Parties other than us were canceled. The Settlement Agreement essentially unwinds the Acquisitions and restores the Parties to their prior positions, as if the Acquisitions had never occurred. The Settlement Agreement also provides for non-solicitation covenants, protection of certain proprietary information and indemnification of the defendant Parties. A copy of the Settlement Agreement is attached as an Exhibit to a Form 8-K filed on November 30, 2004. Under the terms of the Settlement Agreement, the Dispute and underlying legal proceedings are to be dismissed.

Change in Business Direction

As a result of our lack of revenue generation and the recession of the acquisition referenced above, we have not been satisfied with our business plan or original plan of operation. We planned to re-assess our business plan and alternatively seek out other business opportunities capable of increasing stockholder value.

We plan to locate and negotiate with an established business entity for the merger of a target business or alternatively acquire a business either compatible with our initial business plan or a business unrelated to the nutritional supplement industry, for example in the oil and gas industry. In certain instances, a target business may wish to become a subsidiary of us or may wish to contribute assets to us rather than merge. No assurances can be given that we will be successful in locating or negotiating with any target business.

Our Management believes that there are perceived benefits to being a reporting company with a class of publicly-traded securities. These are commonly thought to include (1) the ability to use registered securities to make acquisition of assets or businesses; (2) increased visibility in the financial community; (3) the facilitation of borrowing from financial institutions; (4) improved trading efficiency; (5) stockholder liquidity; (6) greater ease in subsequently raising capital; (7) compensation of key employees through stock options; (8) enhanced corporate image; and (9) a presence in the United States capital market.

A business entity, if any, which may be interested in a business combination with us may include (1) a company for which a primary purpose of becoming public is the use of its securities for the acquisition of assets or businesses; (2) a company which is unable to find an underwriter of its securities or is unable to find an underwriter of securities on terms acceptable to it; (3) a company which wishes to become public with less dilution of its common stock than would occur normally upon an underwriting; (4) a company which believes that it will be able to obtain investment capital on more favorable terms after it has

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become public; (5) a foreign company which may wish to gain an initial entry into the United States securities market; (6) a special situation company, such as a company seeking a public market to satisfy redemption requirements under a qualified Employee Stock Option Plan; or (7) a

company seeking one or more of the other perceived benefits of becoming a public company.

We are engaged in seeking an acquisition, locating a new business opportunity, finding a business partner, or locating a qualified company as a candidate for a business combination. We are authorized to enter into a definitive agreement with a wide variety of businesses without limitation as to their industry or revenues. It is not possible at this time to predict with which company, if any, we will enter into a definitive agreement or what will be the industry, operating history, revenues, future prospects or other characteristics of that company.

We may seek a business opportunity with entities which have recently commenced operations, or which wish to utilize the public marketplace in order to raise additional capital in order to expand business development activities, to develop a new product or service, or for other corporate purposes. We may acquire assets and establish wholly-owned subsidiaries in various businesses or acquire existing businesses as subsidiaries.

As we are not limiting our search for business opportunities to any particular sector, our management, may not be experienced in matters relating to the business of a target business and will rely solely upon its own efforts in accomplishing our business purposes. Outside consultants or advisors may be utilized by us to assist in the search for qualified target companies. If we do retain such an outside consultant or advisor, any cash fee earned by such person will need to be assumed by the target business, as we have limited cash assets with which to pay such obligation.

The analysis of new business opportunities will be undertaken by, or under the supervision of our officer and director, who is not a professional business analyst. In analyzing prospective business opportunities, management may consider such matters as:

- the available technical, financial and managerial resources;
- the availability of audited financial statements;
- working capital and other financial requirements;
- history of operations, if any;
- prospects for the future;
- nature of present and expected competition;
- the quality and experience of management services which may be available and the depth of that management;
- the potential for further research & development;
- specific risk factors not now foreseeable but which then may be anticipated to impact our proposed activities;
- the potential for growth or expansion;
- the potential for profit;
- the perceived public recognition or acceptance of products, services, or trades;
- name identification; and
- other relevant factors.

Our Management does not have the capacity to conduct as extensive an investigation of a target business as might be undertaken by a venture capital fund or similar institution. As a result, management may elect to merge with a target business which has one or more undiscovered shortcomings and may, if given the choice to select among target businesses, fail to enter into an agreement with the most investment-worthy target business.

Following a business combination we may benefit from the services of others in regard to accounting, legal services, underwritings and corporate public relations. If requested by a target business, management may recommend one or more underwriters, financial advisors, accountants, public relations firms or other consultants to provide such services.

A potential target business may have an agreement with a consultant or advisor, providing that services of the consultant or advisor be continued after any business combination. Additionally, a target business may be presented to us only on the condition that the services of a consultant or advisor be continued after a merger or acquisition. Such preexisting agreements of target businesses for the continuation of the services of attorneys, accountants, advisors or consultants could be a factor in the selection of a target business.

In implementing a structure for a particular business acquisition, we may become a party to a merger, consolidation, reorganization, joint venture, or licensing agreement with another corporation or entity. We may also acquire stock or assets of an existing business. On the consummation of a transaction, our present management and stockholders may no longer be in control of us. In addition, it is likely that our officer and director will, as part of the terms of the acquisition transaction, appoint one or more new officers and directors.

It is anticipated that any securities issued in any such reorganization would be issued in reliance upon an exemption from registration under applicable federal and state securities laws. In some circumstances however, as a negotiated element of a transaction, we may agree to register all or a part of such securities immediately after the transaction is consummated or at specified times thereafter. If such registration occurs, of which there can be no assurance, it will be undertaken by the surviving entity after we have entered into an agreement for a business combination or have consummated a business combination. The issuance of additional securities and their potential sale into any trading market which may develop in our securities may depress the market value of our securities in the future if such a market develops, of which there is no assurance.

While the terms of a business transaction to which we may be a party cannot be predicted, it is expected that the parties to the business transaction will desire to avoid the creation of a taxable event and thereby structure the acquisition in a tax-free reorganization under Sections 351 or 368 of the Internal Revenue Code of 1986, as amended.

With respect to any merger or acquisition negotiations with a target business, management expects to focus on the percentage of us which target business stockholders would acquire in exchange for their shareholdings in the target business. Depending upon, among other things, the target business's assets and liabilities, our stockholders will in all likelihood hold a lesser percentage ownership interest in us following any merger or acquisition. Any merger or acquisition effected by us may have a dilutive effect on the percentage of shares held by our stockholders at such time.

No assurances can be given that we will be able to enter into a business combination, as to the terms of a business combination, or as to the nature of the target business.

As of the date hereof, management has not made any final decision concerning or entered into any written agreements for a business combination. When any such agreement is reached or other material fact occurs, we will file notice of such agreement or fact with the Securities and Exchange Commission on Form 8-K. Persons reading this Annual Report are advised to determine if we have subsequently filed a Form 8-K.

We anticipate that the selection of a business opportunity in which to participate will be complex and without certainty of success. Management believes (but has not conducted any research to confirm) that there are numerous firms in various industries seeking the perceived benefits of a publicly registered corporation. Such perceived benefits may include facilitating or improving the terms on which additional equity financing may be sought, providing liquidity for incentive stock options or similar benefits to key employees, increasing the opportunity to use securities for acquisitions, and providing liquidity for our stockholders and other factors. Business opportunities may be available in many different industries and at various stages of development, all of which will make the task of comparative investigation and analysis of such business opportunities extremely difficult and complex. We can provide no assurance that we will be able to locate compatible business opportunities.

OTC:BB Symbol Change

On August 6, 2004, as a result of the acquisition of SalesWare, Inc. our OTC:BB symbol changed to "STCX" subsequently as a result of the recession of the acquisition of SalesWare, Inc. we are in the process of changing our name and OTC:BB symbol.

Patents, Trademarks And Licenses

As of March 29, 2005 the company released its rights to the "Rejuvenage" Trademark, in consideration for a reduction in debt owed to a former officer. 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

As of June 30, 2005 there were two employees. None of our employees is represented by a labor union. We consider our relationship with our employees to be good.

DESCRIPTION OF PROPERTY

We currently lease approximately 1000 square feet of office space located at 18101 Von Karman Avenue, Irvine, California under a month to month operating lease agreement. Monthly lease payments are approximately \$1,500 per month. The Company continues to lease the premises on a month-to-month basis.

LEGAL PROCEEDINGS

We are not a party to any material legal proceedings.

Results of Operations

Quarter Ended June 30, 2005 Compared with Quarter Ended June 30, 2004

Revenues

We had total revenues of \$0 and \$0 for the three month period ended June 30, 2005, and 2004 respectively. Zero revenues are due to having no operating business in SalesTactix.

Cost of Sales

We incurred total costs of \$0 and \$0 for the three month period ended June 30, 2005, and 2004, respectively. Zero Cost of Sales is due to having no operating business in SalesTactix.

Operating Expenses

Selling, general and administrative expenses for the three month period ended June 30, 2005 and 2004 were approximately negative \$942 and \$10,072, respectively. The decrease in SG&A of approximately \$11,000 was primarily due to the Company not having an operating business.

Net loss

Our net loss for the three months ended June 30, 2005 was \$6,860 as compared to a net loss of \$10,294, for the comparative period in 2004. Our decrease in net loss is primarily attributed to the not having an operating business in SalesTactix.

Six Months Ended June 30, 2005 Compared with Six Months Ended June 30, 2004

Revenues

We had total revenues of \$0 and \$0 for the six month period ended June 30, 2005, and 2004 respectively. Zero revenues are due to having no operating business in SalesTactix during 2005.

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Cost of Sales

We incurred total costs of \$0 and \$0 for the six month period ended June 30, 2005, and 2004, respectively. Zero revenues are due to having no operating business in SalesTactix during 2005.

Operating Expenses

Selling, general and administrative expenses for the six month period ended June 30, 2005 and 2004 were \$21,523 and \$12,689, respectively. The increase in expense is due to accrued interest on the Company's outstanding payables.

Net Loss

Our net loss for the six months ended June 30, 2005 was \$22,323 as compared to a net loss of \$13,489 for the comparative period in 2004. Our increase in net loss is primarily attributed to accrued interest on outstanding payables.

Liquidity and Capital Resources

Historically, we have financed our operations through cash generated from the sale of equity securities and debt financing. At June 30, 2005, we had a working capital deficit of \$314,644, based on current assets of \$0 and current liabilities of \$314,644.

Net cash provided by operating activities was negative \$9,200 for the second quarter of 2005.

Net cash provided in investing activities was \$0 for the second quarter of 2005.

Net cash from financing activities was \$9,200 for the second quarter of 2005.

Our liquidity is dependent on our ability to continue to meet our obligations, to obtain additional financing as may be required and to obtain and maintain profitability. Our management continues to look for ways to reduce operating expenses and secure an infusion of capital through either public or private investment in order to maintain our liquidity. These steps include increasing operating revenues over last year through the growth of the business, reducing costs by, among other things, bringing certain projects in-house through possible acquisitions, and making timely payments of our obligations, building our stock and debt sources to provide additional working capital, and continuing to review our business plan to assure we are moving the business forward in a cost-effective manner and continuing to examine the segments of our business that offer the most profitable opportunity for success and eliminating operations and practices which detract from our profitability. There can be no assurance that we will be successful in executing our plans to improve operations or obtain additional debt or equity financing.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires

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us to make estimates and judgments that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses for each period. The following represents a summary of our critical accounting policies, defined as those policies that we believe are: (a) the most important to the portrayal of our financial condition and results of operations, and (b) that require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain.

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 our 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: We recognize product revenue when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectibility is probable. In instances where the customer specifies final acceptance of the product, revenue is deferred until all acceptance criteria have been met. Service revenue is generally deferred and, in most cases, recognized when the services are performed and completed. Cash payments received in advance of product or service revenue are recorded as deferred revenue. No provisions were established for estimated product returns and allowances based on our historical experience.

Allowance for Doubtful Accounts: We provide an allowance for doubtful accounts that is based upon our review of outstanding receivables, historical collection information, and existing economic conditions.

Cash Equivalents: For purposes of the statements of cash flows, we consider 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 our management to approximate fair value.

Inventories: Inventory consists of products already packaged and ready for shipments to customers, and are stated at cost, using the first-in, first-out method.

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: 5 to 7 years for computer and office equipment, and 7 years for furniture and fixtures.

Net Loss Per Common Share: Basic net loss per share includes no dilution and is computed by dividing net loss available to our 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, "Revenue 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.

Risks and Uncertainties

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

We are a development stage company, with a minimal operating history, which raises substantial doubt as to our ability to successfully develop profitable business operations.

Since July of 1984, we had been a non-operating company. Therefore, we have a limited operating history and our business and prospects must be considered in light of the risks and uncertainties to which early stage companies in rapidly evolving industries such as professional employment services are exposed. We cannot provide assurances that our business strategy will be successful or that we will successfully address those risks and the risks described herein.

- If we are unable to secure future capital, we will be unable to continue our operations
- Our business has not been profitable in the past and it may not be profitable in the future. We may incur losses on a quarterly or annual basis for a number of reasons, some within and others outside our control. (See "Potential Fluctuation in Our Quarterly Performance.") The growth of our business will require the commitment of substantial capital resources. 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.

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 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 equity financing.

We are an insignificant participant in the business of seeking mergers wherein a large number of established and well financed entities are our competitors.

We are and will continue to be an insignificant participant in the business of seeking mergers with and acquisitions of business entities. A large number of established and well-financed entities, including venture capital firms, are active in mergers and acquisitions of companies, which may be

merger or acquisition target candidates for us. Nearly all such entities have significantly greater financial resources, technical expertise and managerial capabilities than we do and, consequently, we will be at a competitive disadvantage in identifying possible business opportunities and successfully completing a business combination. Moreover, we will also compete with numerous other small public companies in seeking merger or acquisition candidates.

We have no agreement for a business combination or other transaction and have no predetermined standards for a business combination.

We have reached no definitive arrangement, agreement or understanding with respect to engaging in a business combination with a specific entity. There can be no assurance that we will be successful in identifying and evaluating suitable business opportunities or in concluding a business combination. There is no assurance that we will be able to negotiate a business combination on terms favorable to us. We have not established a specific length of operating history or a specified level of earnings, assets, net worth or other criteria, which we will require a Target Company to have achieved, or without which we would not consider a business combination with such business entity. Accordingly, we may enter into a business combination with a business entity having no significant operating history, losses, limited or no potential for immediate earnings, limited assets, negative net worth or other negative characteristics.

Because our common stock is deemed a low-priced "Penny" stock, an investment in our common stock should be considered high risk and subject to marketability restrictions.

Since our common stock is a penny stock, as defined in Rule 3a51-1 under the Securities Exchange Act, it will be more difficult for investors to liquidate their investment even if and when a market develops for the common stock. Until the trading price of the common stock rises above \$5.00 per share, if ever, trading in the common stock is subject to the penny stock rules of the Securities Exchange Act specified in rules 15g-1 through 15g-10. Those rules require broker-dealers, before effecting transactions in any penny stock, to:

- Deliver to the customer, and obtain a written receipt for, a disclosure document;
- Disclose certain price information about the stock;
- Disclose the amount of compensation received by the broker-dealer or any associated person of the broker-dealer;
- Send monthly statements to customers with market and price information about the penny stock; and
- In some circumstances, approve the purchaser's account under certain standards and deliver written statements to the customer with information specified in the rules.

Consequently, the penny stock rules may restrict the ability or willingness of broker-dealers to sell the common stock and may affect the ability of holders to sell their common stock in the secondary market and the price at which such holders can sell any such securities. These additional procedures could also limit our ability to raise additional capital in the future.

We will need additional capital in the future to finance our operations, which we may not be able to raise or it may only be available on terms unfavorable to us or our stockholders, which may result in our inability to fund our working capital requirements and harm our operational results.

We have and expect to continue to have substantial capital expenditure and working capital needs. We believe that current cash on hand and the other sources of liquidity are only sufficient enough to fund our operations through June 30, 2005. After that time we may need to raise additional funds to fund our operations.

If operating difficulties or other factors, many of which are beyond our control, cause our revenues or cash flows from operations, if any, to decrease, we may be limited in our ability to spend the capital necessary to complete our development, exploitation and exploration programs. If our resources or cash flows do not rapidly commence, we will require additional financing to fund our planned growth.

Additional financing might not be available on terms favorable to us, or at all. If adequate funds were not available or were not available on acceptable terms, our ability to fund our operations, take advantage of unanticipated opportunities, develop or enhance our business or otherwise respond to competitive pressures would be significantly limited.

If we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership of our stockholders would be reduced, and these newly issued securities might have rights, preferences or privileges senior to those of existing stockholders.

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

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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 15c-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.

Our auditor's report reflects the fact that without realization of additional capital, it would be unlikely for us to continue as a going concern.

As a result of our deficiency in working capital at June 30, 2005 and other factors, our auditors have included a paragraph in their report regarding substantial doubt about our ability to continue as a going concern. Our plans in this regard are to seek merger or acquisition candidates, seek additional funding through future equity private placements or debt facilities.

Going Concern

The financial statements included in this filing have been prepared in conformity with generally accepted accounting principles that contemplate the continuance of the Company as a going concern. The Company's cash position may be inadequate to pay all of the costs associated with testing, production and marketing of products. Management intends to use borrowings and security sales to mitigate the effects of its cash position, however no assurance can be given that debt or equity financing, if and when required will be available. The financial statements do not include any adjustments relating to the recoverability

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and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue existence.

ITEM 3. CONTROLS AND PROCEDURES

(a)Evaluation of Disclosure Controls and Procedures. Our Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this quarterly report (the "Evaluation Date"). Based on such evaluation, such officers have concluded that, as of the Evaluation Date, our disclosure controls and procedures are effective in alerting them on a timely basis to material information relating to our Company (including our consolidated subsidiaries) required to be included in our reports filed or submitted under the Exchange Act.

(b)Changes in Internal Controls over Financial Reporting. During the most recent fiscal quarter, there have not been any significant changes in our internal controls over financial reporting or in other factors that have materially affected, or are reasonably likely to materially affect, our

internal controls over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 2. CHANGES IN SECURITIES

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

None

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

[31.1 Certification of the Chief Executive Officer pursuant to Rule 13a-14\(a\) \(Section 302 of the Sarbanes-Oxley Act of 2002\)](#)

[31.2 Certification of the Chief Financial Officer pursuant to Rule 13a-14\(a\) \(Section 302 of the Sarbanes-Oxley Act of 2002\)](#)

[32.1 Certification of the Chief Executive Officer pursuant to 18 U.S.C.ss.1350 \(Section 906 of the Sarbanes-Oxley Act of 2002\)](#)

[32.2 Certification of the Chief Financial Officer pursuant to 18 U.S.C.ss.1350 \(Section 906 of the Sarbanes-Oxley Act of 2002\)](#)

(b) Reports on Form 8-K.

None

[Signature Page Follows.]

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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 thereunto duly authorized.

Dated: August 21, 2005

SalesTactix, Inc.

By: /s/ Scott W. Absher
Scott W. Absher, Chief Executive Officer

CERTIFICATIONS

I, Scott W. Absher, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of SalesTactix, Inc. (the "Company") for the quarterly period ending June 30, 2005.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of circumstances under which such statements were made, not misleading with respect to the period covered by the quarterly report; and
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in the quarterly report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Company and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the quarterly report is being prepared;
 - b) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the quarterly report based on such evaluation; and
 - c) disclosed in the quarterly report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of Company's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

Dated: August 21, 2005

By: /s/ Scott W. Absher
Scott W. Absher, President

CERTIFICATIONS

I, George Lefevre, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of SalesTactix, Inc. (the "Company") for the quarterly period ending June 30, 2005.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of circumstances under which such statements were made, not misleading with respect to the period covered by the quarterly report; and
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in the quarterly report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Company and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the quarterly report is being prepared;
 - b) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in the quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the quarterly report based on such evaluation; and
 - c) disclosed in the quarterly report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of Company's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

Dated: August 21, 2005

By: /s/ George Lefevre
George Lefevre, Chief Financial Officer

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350,
AS
ADOPTED PURSUANT TO SECTION 906 OF
THE
SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of SalesTactix, Inc. (the "Company") on Form 10-QSB for the quarterly period ending June 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott W. Absher, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of the undersigned's knowledge and belief:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Dated: August 21, 2005

By: /s/ Scott W. Absher
Scott W. Absher, Chief Executive Officer

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350,
AS
ADOPTED PURSUANT TO SECTION 906 OF
THE
SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of SalesTactix, Inc. (the "Company") on Form 10-QSB for the quarterly period ending June 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, George Lefevre, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of the undersigned's knowledge and belief:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Dated: August 21, 2005

By: /s/ George Lefevre
George Lefevre, Chief Financial Officer