

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

FORM 10-Q

(Mark One)

X QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For quarterly period ended September 30, 2000

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

Commission file number -001-14889

TRADING SOLUTIONS.COM, INC.

(Exact name of registrant as specified in its charter)

Nevada

880425691

(State or other jurisdiction of  
incorporation or organization)

(IRS Employer Identification No.)

200 Camino Aguajito, #200 Monterey, California

93940

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(831) 375-6229

Indicate by check mark whether the registrant: (1) has filed all reports required 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 for the past 90 days.

☒ Yes ☐ No

The number of shares of the Registrant's Common Stock, \$.001 par value, as of September 30, 2000 was 2,861,000 outstanding.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

HAWKINS ACCOUNTING

Certified Public Accountant

341 Main Street Salinas, CA 93901  
(831) 759-2480 FAX (831) 759-2482

To the Board of Directors  
Trading Solutions.com, Incorporation  
Monterey, California

I have reviewed the accompanying blaance sheet of Thrading Solutions.com, Inc. as of September 30, 2000 and 1999 and the related statement of income and Shareholders' Equity and the statement of cash flows for hte six months then ended September 30, 2000 and from the date of inception to September 30, 1999, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Trading Solutions.com, Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such as opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

/s/ Hawkins Accounting

November 2, 2000

TRADING SOLUTIONS.COM, INCORPORATED  
BALANCE SHEET  
September 30, 2000 and 1999  
(See Accountant's Report)

	2000 ----	1999 ----
ASSETS		
Current assets		
Cash in bank	\$ 55,173	\$ 5,914
Other receivable	1,695	
Prepaid rent	900	78
Total current assets	57,768	5,992
Furniture and equipment		
Equipment	2,606	2,206
Furniture	916	600
	3,522	2,806
Accumulated depreciation	(526)	(88)
	2,996	2,718
Total assets	\$ 60,764	\$ 8,710
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable	\$ 1,371	\$ 2,500
State corporate tax liability		800
Total current liabilities	1,371	3,300
Total liabilities	1,371	3,300
Stockholders' equity		
Common stock, 20,000,000 shares authorized at a par value of .01. 2,859,000 outstanding,	28,590	27,000
Paid in capital	205,400	77,990
Retained earnings	(174,597)	(99,580)
Total stockholder's equity	59,393	5,410
Total liabilities and stockholder's equity	\$ 60,764	\$ 8,710

The accompanying notes are an integral part of these financial statements

TRADING SOLUTIONS.COM, INCORPORATED  
STATEMENT OF OPERATIONS  
For the six months ended September 30, 2000 and  
from date of inception to September 30, 1999  
(See Accountant's Report)

	2000 ----	1999 ----
Income	\$ 8,288	\$ 1,510
Expenses		
Advertising	6,326	3,115
Accounting fees	9,080	3,000
Bank charges	120	80
Consulting fees	21,000	30,704
Compensation expense		34,000
Depreciation	350	88
Education		1,000
Management-fees		5,000
Miscellaneous		554
Office supplies	1,318	3,618
Postage	475	66
Promotions		514
License and taxes	180	1,765
Legal fees	6,067	11,418
Organizational costs		896
Rent	1,800	1,200
Telephone	1,485	899
Travel	5,820	2,359
Total expenses	54,021	100,276
Loss from operations	(45,733)	(98,766)
Other (expenses)		
Interest		(14)
Loss prior to income taxes	0	(14)
Income taxes		
State corporate tax		800
Net loss	\$ (45,733)	\$ (99,580)
Loss per common share	\$ (0.02)	\$ (0.03)
Weighted average of shares outstanding	\$ 2,784,628	2,654,703

The accompanying notes are an integral part of these financial statements

TRADING SOLUTIONS, COM, INCORPORATED  
STATEMENT OF STOCKHOLDER'S EQUITY  
September 30, 2000 and 1999  
(See Accountant's Report)

	1999					
	----					
	Common Stock		Paid	Retained	Total	
	Shares	Amount	in	Earnings		
	-----	-----	Capital	-----	-----	
June 30, 1999	2,627,000	\$ 26,270	\$ 54,270	(66,290)	\$ 14,250	
Founders stock	5,000	50	(45)			5
Options	25,000	250	2,695		2,945	
July 1, 1999	15,000	150	7,350		7,500	
July 2, 1999	14,000	140	6,860		7,000	
July 5, 1999	3,000	30	1,470		1,500	
July 8, 1999	6,000	60	2,940		3,000	
July 12, 1999	2,000	20	980		1,000	
July 14, 1999	3,000	30	1,470		1,500	
Net loss per period				(33,290)	(33,290)	
Total	2,700,000	\$ 27,000	\$ 77,990	\$ (99,580)	\$ 5,410	
	2000					
	----					
March 31, 2000	2,760,000	\$ 27,600	\$ 107,390	\$ (128,864)	\$ 6,126	
June 26, 2000	35,000	350	34,650		35,000	
July 18, 2000	21,000	210	20,790		21,000	
July 19, 2000	3,000	30	2,970		3,000	
July 21, 2000	25,000	250	24,750		25,000	
August 1, 2000	13,000	130	12,870		13,000	
August 4, 2000	2,000	20	1,980		2,000	
Net loss per period				(45,733)	(45,733)	
	2,859,000	\$ 28,590	\$ 205,400	\$ (174,597)	\$ 59,393	

The accompanying notes are an Integral part of these financial statements

TRADING SOLUTIONS.COM, INCORPORATED  
STATEMENT OF CASH FLOWS-INDIRECT METHOD  
For the six months ended September 30, 2000 and  
from date of inception to September 30, 1999  
(See Accountant's Report)

	2000 ----	1999 ----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ (45,733)	\$ (99,580)
Adjustment to reconcile net income to net cash provided by operating activities		
Depreciation	350	88
Compensation expense		34,000
Increase in otehr receivable	(1,519)	
Increase in prepaid rent	(900)	(78)
Increase in accounts payable		2,500
Increase in taxes payable		800
NET CASH PROVIDED BY OPERATING ACTIVITIES	(47,802)	(62,270)
INVESTING ACTIVITIES		
Purchase of furniture and equipment	716	2,806
NET CASH USED IN INVESTING ACTIVITIES	716	2,806
FINANCING ACTIVITIES		
Sale of common stock	99,000	70,990
Short term borrowing		3,000
Payment of short term borrowing		(3,000)
NET CASH REALIZED FROM FINANCING ACTIVITIES	99,000	70,990
INCREASE IN CASH AND CASH EQUIVALENTS	50,482	5,914
Cash and cash equivalents at the beginning of the year	4,691	0
CASH AND CASH EQUIVALENTS	\$ 55,173	\$ 5,914
Supplemental disclosure of financing activities		
Interest paid during the period		\$ 14

The accompanying notes are an integral part of these financial statements

Trading Solutions.Com, Incorporated  
Notes to Financial Statements  
September 30, 2000 and 1999

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the business - Trading Solutions.Com, Tic (the "Company") is designed to provide education for people interested in on line investing. The Company also intends to establish a corporate trading account and manage money. The Company further intends to establish our own e-commerce business to link with the trading school.

Development Stage Company - In the prior fiscal year the Company was a development stage company, as defined in the Financial Accounting Standards Board No. 7. The Company devoted substantially all of its efforts in securing and establishing a new business. During the first six months of the current fiscal year, the Company commenced operations.

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

Cash and cash equivalents - For financial statement presentation purposes, the Company considers all short term investments with a maturity date of three months or less to be cash equivalents.

Property and equipment - Property and equipment are recorded at cost. Maintenance and repairs are expensed as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Depreciation is provided using the straight-line method, over the useful lives of the assets.

Income taxes - Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the recorded book basis and the tax basis of assets and liabilities for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are

Trading Solutions.Com, Incorporated  
Notes to Financial Statements  
September 30, 2000 and 1999

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (con's)

Income taxes (con't)

recovered or settled. Deferred taxes are also recognized for operating losses that are available to offset future taxable income.

Stock options -Stock that is issued for services rendered are recorded at the fair value of the stock in the year that the stock is given and recorded as an expense xn the same year.

NOTE 2: BACKGROUND

The Company was incorporated under the laws of the State of Nevada on May 14,1999. The principal activities of the Company, froze the beginning of the development stage, have been orgax&ational matters and the sale of stock.

NOTE 3: EQUIPMENT AND FURNITURE

The following is a summary of ;fixed asset classifications, accumulated depreciation and depreciable lives for the Company at September 30, 2000 and 1999.

	Useful life Years -----	2000 ----	1999 ----
Computer equipment	5	\$ 2,606	\$ 2,206
Office furniture	10	916	600
Total		3,522	2,806
Accumulated depreciation		(526)	(88)
Net equipment and furniture		\$ 2,996	\$ 2,718

Depreciation expense for the six months ended September 30, 2000 was \$350 and 1999 the expense was \$88.

NOTE 4: COMMON STOCK

Founders stock - At incorporation the Company issued stock to the founders of the corporation. These shares totaled 2,495,000 shares and were issued fox consideration of \$.001 per share: Proceeds from these sales were \$2,495.

Trading Solutions.Com, Incorporated  
Notes to Financial Statements  
September 30, 2000 and 1999

NOTE 4: COMMON STOCK (con't)

Stock options - At the organizational meeting of the board of directors it was voted on to issue stock options of the Company's common stock to certain officers of the corporation, a key employee of a non affiliated company and the non affiliated company. These options are to be exercised at \$.10 a share and have an expiration date of December 31, 2002. These options are callable at \$.02 per share by the Company with a 30 day notice. A total of 85,000 shares were voted on for the options of which 60,000 shares of the options were exercised Prior to September 30, 1999. Total proceeds from these sales were \$5,500. The fair market value at the date the options were granted was \$.50 a share. Therefore, the Company has recognized \$ 34,000 in compensation expense for the period ended September 30, 1999.

Public stock offering - During the period ended June 30, 1999 the Company sold solely to accredited and/or sophisticated investors its common stock. Each share had a par value of \$.01 a share and was offered to the investors at \$.50 a share. The stock was sold during various times during the period from, date of inception to September 30, 1999 to 30 different investors buying a total of 120,000 shares of common stock. Total proceeds, from the offering, as of the period ended September 30, 2000 were \$60,000.

Initial Public Offering - During the six-month period ended September 30, 2000, the Company initiated a public stock offering of three hundred thousand of its common shares. As of September 30, 2000 \$99,000.00 had been raised.

NOTE 5: INCOME TAXES

The benefit for income taxes from operations consisted of the following components- current tax benefit of \$26,250 resulting from a net loss before income taxes, and a deferred tax expense of \$26,250 resulting from a valuation allowance recorded against the deferred tax asset resulting from net operating losses. Net operating loss carryforward will expire in 2014.

The valuation allowance will be evaluated at the end of each year, considering positive and negative evidence about whether the asset will be realized. At that time, the allowance will either be increased or reduced. Reduction would result in the complete elimination of the allowance if positive evidence indicates that the value of the deferred tax asset is no longer required.



Trading Solutions.Com, Incorporated .  
Notes to Financial Statements  
September 30, 2000 and 1999

NOTE 6: RELATED PARTY TRANSACTIONS

The Company entered into an agreement with one of its shareholders to provide assistance to the Company in the formation of its corporate structure and to use their contacts in assisting with the development of a public market for the Company's common stock. The agreement calls for the shareholder to be paid a total of \$22,000 of which \$2,000 and \$5,000 was paid for the periods ended September 30, 2000 and 1999. The Company is to further provide support services such as office space and telephone services for which the Company will be billed separately. Total cash paid for these additional services as of September 30, 1999 was \$1,465. There were no amounts paid to this shareholder for the period ended September 30, 2000.

The Company also entered into an agreement with another shareholder to provide consulting services to the Company. This agreement totals \$30,000 of which \$13,000 and \$10,300 was paid as of September 30, 2000 and 1999 respectively.

There is an agreement with one of the founders to provide support services to the Company. This agreement has a maximum of \$10,000. The total amount paid, as of September 30, 2000 and 1999 was 3000 and \$6,500 respectively.

NOTE 7: MATERIAL ADJUSTMENTS

Management has made all material adjustments to the financial statements to be conformity with generally accepted accounting principles.

NOTE 8: GOING CONCERN

From the date of inception the Company has yet to commence receiving a material amount of revenue and has net losses from operating activities which raise substantial doubt about its ability to continue as a going concern. Management will work to establish a local market niche for each one of its ., trading schools by advertising in local newspapers and radio. This is intended to create public awareness of the Company's name and its services. Management also intends to affiliate with professional traders to teach online classes and seminars in real-time broadcasting. The Company also intends to continually invest in its web site infrastructure as needed for

Trading Solutious.Com, Incorporated  
Notes to Financial Statements  
September 30, 2000 and 1999

NOTE 8: GOING CONCERN (con't)

upgrades, incorporation of new features and keeping up with the changing internet technology. The Company will establish an on line store that will offer literature such as books, newspapers and newsletters that will target online investors.

In order to attract and retain quality instructors the Company plans to grant each participating instructor the opportunity to be promoted on an exclusive basis by the Company's web site.

The Company's ability to continue as a going concern is dependent upon a successful public offering and ultimately achieving profitable operations.

There is no assurance that the Company will be successful in its efforts to raise additional proceeds or achieve profitable operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Net sales for the second quarter that ended September 30, 2000 were \$5,108, which represents an increase of more than 300% from the corresponding period of the prior year. For the six month ended September 30, 2000, the company has experienced a 549% increase in net sales from the corresponding period of the prior year.

The company is in the process of introducing its services to the local community at its first location in Monterey, CA. The company will continue providing its services through its trading school, and will continue developing its web based operations.

Loss from operations prior to other expenses and taxes for the six months ended September 30, 2000 was \$45,733 compared to \$98,766 for the corresponding period in 1999. The decrease from the corresponding period of the prior year is principally attributable to the company's marketing efforts.

Advertisement, general and administrative expenses were \$54,021 for the for the six months ended September 30, 2000, compared to \$100,276 for the corresponding period in 1999. These expenses decreased due to the Company getting further along in its development and obtain more recognition.

The company has completed an offering of stock pursuant to a registration statement filed August 23, 1999, selling 101,000 shares of common stock at \$1.00. The sale of these securities will provide a working capital to expand the company's business and pay legal and accounting fees. The offering was closed on August 4, 2000 and the company received \$101,000.

The company is in the process of adding new services, locations, and product lines and revamping its marketing efforts. The company anticipates that its marketing and operating costs will increase due to changes to its marketing and business development. There have been no material increases in net sales or revenue.

The company has been a development stage company for the past year and has not felt the effect of inflation. Should prices increase the company will have to increase its cost of sales.

Item 3. Liquidity and Capital Resources.

As of September 30, 2000, the company had a cash equivalence of \$55,173. The capital resource available came from the company's IPO offering.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

As of September 30, 2000, there have been no legal proceedings.

Item 2. Changes in Securities.

The company has completed a public offering of securities under a registration statement filed August 23, 1999, selling 101,000 shares at \$1.00 which has increased the total outstanding shares to 2,861,000. \$101,000 was received and the proceeds have been used as follows:

Accounting	\$ 9,080
Legal Fees	\$ 6,067
Consulting Fees	\$ 21,000
Advertising	\$ 6,326
General Office and Operating Expenses	\$ 11,548

Item 3. Defaults Upon Senior Securities.

There has been no material default in the payment of principal, interest, a sinking or purchase fund installment, or any other material default not cured within 30 days. There has been no other material delinquency that has occurred within 30 days.

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

There was no meeting held in the first quarter of 2000. There will be a board meeting called in July of 2000.

Item 5. Other Information.

None.

Item 6. Exhibits and Reports on Form 8-K

None.

Signature Page

Pursuant to the requirements of section 13 or 15(d) 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.

TRADING SOLUTIONS.COM, INC.

/s/ Natalie Shahvaran  
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NAME: Natalie Shahvaran  
TITLE: President

DATED: November 14, 2000

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SEP-30-2000  
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