

UNITED STATES
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 Quarter Ended: September 30, 2001

Commission File Number 0-32353

EASYWEB, INC.

(Exact name of registrant as specified in its charter)

COLORADO

84-1475642

(State or other jurisdiction of
incorporation or organization)

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

6025 South Quebec Street, Suite 150, Englewood, Colorado

80111

(Address of principal executive offices)

(Zip code)

(720) 489-8873

(Registrant's telephone number, including area code)

(Former name, former address and former
fiscal year, if changed since last report.)

Indicate by check 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. Yes X No

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

Common stock, no par value

3,590,200

Class

Number of shares outstanding at October 22, 2001

This document is comprised of 9 pages.

FORM 10-QSB
2ND QUARTER

INDEX

Page

PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements

| | |
|--|---|
| Condensed balance sheet, September 30, 2001 (unaudited) | 3 |
| Condensed statements of operations, three months ended September 30, 2001 (unaudited) and 2000 (unaudited), nine months ended September 30, 2001 (unaudited) and 2000 (unaudited), and September 24, 1998 (inception) through September 30, 2001 (unaudited) | 4 |
| Condensed statements of cash flows, nine months ended September 30, 2001 (unaudited) and 2000 (unaudited), and September 24, 1998 (inception) through September 30, 2001 (unaudited) | 5 |
| Notes to unaudited condensed financial statements | 6 |
| Item 2. Plan of Operation | 7 |

PART 2 - OTHER INFORMATION

| | |
|---|---|
| Item 1. Legal Information | 8 |
| Item 2. Changes in Securities | 8 |
| Item 3. Defaults Upon Senior Securities | 8 |
| Item 4. Submission of Matters to a Vote of Security Holders | 8 |
| Item 5. Other Information | 8 |
| Item 6. Exhibits and Reports on Form 8-K | 8 |
| Signatures | 9 |

Part 1. Item 1. Financial Information

EASYWEB, INC.
(A Development Stage Company)

Condensed Balance Sheet
(Unaudited)

September 30, 2001

| | |
|---|-----------|
| Assets | |
| Current assets: | |
| Cash | \$ 824 |
| Accounts receivable | 465 |
| Prepaid rent, paid to related party (Note B) | 2,000 |
| | ----- |
| Total current assets | 3,289 |
| Web site development costs, net | 1,156 |
| | ----- |
| | \$ 4,445 |
| | ===== |
| Liabilities and Shareholders' Deficit | |
| Current liabilities: | |
| Accounts payable and accrued liabilities | \$ 2,387 |
| Indebtedness to related parties (Note B) | 6,015 |
| | ----- |
| Total current liabilities | 8,402 |
| | ----- |
| Common stock subject to rescission, 16,000 shares (March 2000) | 4,000 |
| | ----- |
| Shareholders' deficit: | |
| Common stock | 89,050 |
| Additional paid-in capital | 33,105 |
| Deficit accumulated during development stage | (130,112) |
| | ----- |
| Total shareholders' deficit | (7,957) |
| | ----- |
| | \$ 4,445 |
| | ===== |

See accompanying notes to condensed financial statements

EASYWEB, INC.
(A Development Stage Company)

Condensed Statements of Operations
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | | September 24, 1998 (Inception) through September 30, 2001 |
|---|-------------------------------------|-------------|------------------------------------|-------------|--|
| | 2001 | 2000 | 2001 | 2000 | |
| Revenue: | | | | | |
| Commissions, related party | \$ -- | \$ 4,000 | \$ -- | \$ 4,000 | \$ 4,000 |
| Commissions, other | 543 | -- | 1,456 | -- | 2,707 |
| Total revenue | 543 | 4,000 | 1,456 | 4,000 | 6,707 |
| Operating expenses: | | | | | |
| Rent (Note B) | 1,000 | 1,333 | 2,000 | 1,333 | 4,333 |
| Contributed rent (Note B) | 500 | 167 | 2,500 | 1,667 | 10,167 |
| Administrative support (Note B) | 375 | 2,667 | 864 | 2,667 | 6,064 |
| Contributed administrative support (Note B) | 2,625 | 333 | 8,136 | 3,333 | 22,936 |
| Salaries and payroll taxes | -- | 8,988 | -- | 8,988 | 20,729 |
| Professional fees | 2,134 | 2,075 | 15,667 | 2,785 | 32,856 |
| Web site consulting and maintenance | 409 | 7,370 | 1,115 | 7,370 | 11,250 |
| Information technology agreement | -- | -- | -- | -- | 8,269 |
| Advertising | -- | 8,229 | -- | 8,382 | 11,914 |
| Depreciation and amortization | 188 | 247 | 563 | 247 | 1,252 |
| Other | 240 | 1,718 | 2,724 | 1,718 | 7,049 |
| Total operating expenses | (7,471) | (33,127) | (33,569) | (38,490) | (136,819) |
| Operating loss | (6,928) | (29,127) | (32,113) | (34,490) | (130,112) |
| Income taxes (Note C) | -- | -- | -- | -- | -- |
| Net Loss | \$ (6,928) | \$ (29,127) | \$ (32,113) | \$ (34,490) | \$ (130,112) |
| Basic and diluted loss per common share | \$ * | \$ * | \$ * | \$ (0.01) | |
| Basic and diluted weighted average common shares outstanding | 3,590,200 | 3,590,200 | 3,590,200 | 3,482,367 | |

* Less than \$.01

See accompanying notes to condensed financial statements

EASYWEB, INC.
(A Development Stage Company)

Condensed Statements of Cash Flows
(Unaudited)

| | Nine Months Ended September 30, | | September 24, 1998 |
|---|------------------------------------|-------------|---|
| | 2001 | 2000 | (Inception) through September 30, 2001 |
| | ----- | ----- | ----- |
| Net cash (used in) operating activities | \$ (25,883) | \$ (32,315) | \$ (93,868) |
| | ----- | ----- | ----- |
| Cash flows from investing activities: | | | |
| Equipment purchase | -- | (400) | (400) |
| Payments for intangible assets | -- | (2,250) | (2,458) |
| | ----- | ----- | ----- |
| Net cash (used in) investing activities . | -- | (2,650) | (2,858) |
| | ----- | ----- | ----- |
| Cash flows from financing activities: | | | |
| Proceeds on advances from related parties | -- | -- | 6,000 |
| Proceeds from the sale of common stock | -- | 97,050 | 101,550 |
| Proceeds from the sale of common stock subject to rescission | -- | 4,000 | 4,000 |
| Payments for offering costs | -- | -- | (14,000) |
| | ----- | ----- | ----- |
| Net cash provided by financing activities | -- | 101,050 | 97,550 |
| | ----- | ----- | ----- |
| Net change in cash | (25,883) | 66,085 | 824 |
| Cash, beginning of period | 26,707 | 1,091 | -- |
| | ----- | ----- | ----- |
| Cash, end of period | \$ 824 | \$ 67,176 | \$ 824 |
| | ===== | ===== | ===== |
| Supplemental disclosure of cash flow information: | | | |
| Cash paid during the period for: | | | |
| Interest | \$ -- | \$ -- | \$ -- |
| | ===== | ===== | ===== |
| Income taxes | \$ -- | \$ -- | \$ -- |
| | ===== | ===== | ===== |
| Non-cash financing activity: | | | |
| Stock issued for satisfaction of debt | \$ -- | \$ -- | \$ 1,500 |
| | ===== | ===== | ===== |

See accompanying notes to condensed financial statements

EASYWEB, INC.
(A Development Stage Company)

Notes to Unaudited Condensed Financial Statements

Note A: Basis of presentation

The financial statements presented herein have been prepared by the Company in accordance with the accounting policies in its amended Form 10-SB dated December 31, 2000 and updated through March 31, 2001, and should be read in conjunction with the notes thereto.

In the opinion of management, all adjustments (consisting only of normal recurring adjustments) which are necessary to provide a fair presentation of operating results for the interim period presented have been made. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the year.

The Company is in the development stage in accordance with Statements of Financial Accounting Standards (SFAS) No. 7 "Accounting and Reporting by Development Stage Enterprises". As of September 30, 2001, the Company has devoted substantially all of its efforts to financial planning, raising capital and developing markets.

Financial data presented herein are unaudited.

Note B: Related party transactions

Prepaid rent

The Company paid an affiliate \$4,000 during April 2001 to rent office space for the period from April 1, 2001 through March 31, 2002. As of September 30, 2001, \$2,000 is expensed as rent and \$2,000 is capitalized as prepaid expense in the accompanying condensed unaudited financial statements. The Company's management estimated the fair market value of the office space at \$500 per month. Therefore, an additional \$2,500 was expensed as rent during the nine months ended September 30, 2001, with an offsetting credit to additional paid-in capital.

Indebtedness to related parties

The Company paid an affiliate \$864 during the nine months ended September 30, 2001 for administrative services performed on behalf of the Company. The Company's management estimated the fair value of the services at \$1,000 per month. Therefore, an additional \$8,136 was expensed as contributed administrative support during the nine months ended September 30, 2001, with an offsetting credit to additional paid-in capital. The Company owed the affiliate \$15 for the administrative expenses at September 30, 2001, which is included in the accompanying condensed balance sheet as due to affiliate. The Company repaid the affiliate in October 2001.

At September 30, 2001, the Company owed an officer and two directors a total of \$6,000 (\$2,000 each) for working capital advances. The advances are unsecured, bear no interest and are due on demand.

Note C: Income taxes

The Company records its income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes". The Company incurred net operating losses during the nine months ended September 30, 2001 resulting in a deferred tax asset, which was fully allowed for; therefore, the net benefit and expense resulted in \$-0- income taxes.

EASYWEB, INC.
(A Development Stage Company)

PLAN OF OPERATION

The Company plans to continue to design, market, sell and maintain customized and turnkey web sites on the Internet that are hosted by third parties. To date, revenues from these services have been minimal. The Company intends to generate increased revenue through the expenditure of additional funds for marketing, advertising and promotion. The Company believes that the revenue generated from operations may not be sufficient to finance future activities and that it may be necessary to raise additional funds through equity and/or debt financing in the next twelve months. There is no assurance that the Company will be able to generate additional capital for marketing, advertising and promotion and/or other purposes. In the event that only limited additional financing is received, the Company expects its opportunities in the design, marketing, and sale of Internet web sites to be limited.

The Company filed a Registration Statement on Form 10-SB with the Securities and Exchange Commission ("SEC") in February of 2001 to register its no par value common stock and become a reporting company. To date, the SEC has not completed its review of the Form 10-SB.

The Company does not intend to hire any additional employees in the foreseeable future. The Company does not intend to make significant equipment purchases within the next twelve months.

FINANCIAL CONDITION

As of September 30, 2001, the Company had total assets of \$4,445 as compared to \$28,426 at December 31, 2000. The decrease was a result of cash used to fund net losses of \$32,113 incurred during the nine months ended September 30, 2001.

RESULTS OF OPERATIONS

During the nine months ended September 30, 2001, the Company recorded sales totaling \$1,456 as compared with \$4,000 for the nine months ended September 30, 2000. However, sales to unrelated third parties increased to \$1,456 for the nine months ended September 30, 2001, as compared to \$-0- for the nine months ended September 30, 2000.

Operating expenses decreased from \$38,490 for the nine months ended September 30, 2000 to \$33,569 for the nine months ended September 30, 2001. The operating expenses decreased because of (1) a decrease in salaries and payroll taxes, (2) a decrease in advertising expenses, and (3) a decrease in web site expenses. Management reduced these expenses because of the Company's limited working capital.

Part I. Item 2. Plan of operation, continued

EASYWEB, INC.
(A Development Stage Company)

Special note regarding forward-looking statements

This report contains forward-looking statements within the meaning of federal securities laws. These statements plan for or anticipate the future. Forward-looking statements include statements about our future business plans and strategies, statements about our need for working capital, future revenues, results of operations and most other statements that are not historical in nature. In this Report, forward-looking statements are generally identified by the words "intend", "plan", "believe", "expect", "estimate", and the like. Investors are cautioned not to put undue reliance on forward-looking statements. Except as otherwise required by applicable securities statutes or regulations, the Company disclaims any intent or obligation to update publicly these forward-looking statements, whether as a result of new information, future events or otherwise. Because forward-looking statements involve future risks and uncertainties, these are factors that could cause actual results to differ materially from those expressed or implied.

Part 2. Other Information

Items 1 through 5 - No response required.

Item 6 - Exhibits and reports on Form 8-K.

There were no reports on Form 8-K.

SIGNATURES

The financial information furnished herein has not been audited by an independent accountant; however, in the opinion of management, all adjustments (only consisting of normal recurring accruals) necessary for a fair presentation of the results of operations for the three and nine months ended September 30, 2001 have been included.

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EASYWEB, INC.
(Registrant)

DATE: October 22, 2001

BY: /s/ David C. Olson

David C. Olson
President