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NETMAXIMIZER COM INC
Form 10-Q
November 15, 2001

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2001

OR

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

For the transition period from _____ to _____

Commission File No. 0-28407

NETMAXIMIZER.COM, INC.

(Exact name of registrant as specified in its charter)

FLORIDA

65-0907899

(State or other jurisdiction
of incorporation or organization)

(I.R.S. Employer
Identification Number)

7491 North Federal Highway, C-5, Suite 262, Boca Raton, Florida 33487

(Address of principal executive office)
(Zip Code)

(561) 750-2143

Registrant's telephone number, including area code)

4400 North Federal Highway, Suite 307, Boca Raton, FL 33431

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

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.

Yes No

-

The number of shares outstanding of the issuer's Common Stock, \$.001 par value,
as of November 12, 2001 was 40,450,480.

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NETMAXIMIZER.COM, INC.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

NETMAXIMIZER.COM, INC.
(A Development Stage Enterprise)
BALANCE SHEETS

ASSETS

September 30,
2001

(Unaudited)

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Current Assets:		
Cash, including restricted cash of \$1,272	\$ 53,457	\$ 80
Inventories	--	158
Total current assets	53,457	238
Property and Equipment	24,728	80
Web Site Design, Net	1,035,870	521
Other Assets	42,150	93
Total assets	\$ 1,156,205	\$ 934
=====		
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		

Current Liabilities:		
Accounts payable and accrued liabilities:		
Accrued interest, stockholder	\$ 268,674	\$ 134
Related parties	--	113
Other	409,094	475
Due to officer/stockholder	21,388	23
Note payable, other	4,696	4
Total current liabilities	703,852	751
Long-Term Debt and Other Obligations:		
Notes payable, stockholder, net of unamortized discount of \$1,088,882 and \$1,519,421	892,057	461
Deposits on stock to be issued	140,000	437
Obligation related to stock options to be issued	660,000	660
Note payable, other	6,564	7
	1,698,621	1,566
Commitments, Contingencies and Subsequent Events	--	
Stockholders' Deficiency:		
Common stock, \$.001 par value; 75,000,000 shares authorized; 40,290,482 and 39,203,006 shares issued and outstanding	40,290	39
Additional paid-in capital	11,322,330	9,386
Deficit accumulated during the development stage	(12,608,888)	(10,808)
Total stockholders' deficiency	(1,246,268)	(1,383)
Total liabilities and stockholders' deficiency	\$ 1,156,205	\$ 934
	=====	=====

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See Notes to Condensed Financial Statements

NETMAXIMIZER.COM, INC.
(A Development Stage Enterprise)

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STATEMENTS OF OPERATIONS

	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	2001	2000	2001	2000
	----- (Unaudited)		----- (Unaudited)	
Revenue	\$ 699	\$ 3,625	\$ 43,603	\$ -----
Costs and Expenses:				
Direct costs of revenue	1,494	4,978	162,156	-----
General and administrative	188,366	556,080	861,027	1,5-----
Amortization of web site design	97,414	74,979	255,320	2-----
Amortization of debt discount .	143,513	132,730	430,538	3-----
Interest expense, stockholder .	49,366	42,124	134,507	-----
Amortization of deferred compensation expense	--	321,658	--	9-----
Stock and options issued for services	--	--	--	-----
	480,153	1,132,549	1,843,548	3,1-----
Net Loss	(479,454)	(1,128,924)	(1,799,945)	(3,1-----)
Net Loss Per Share - Basic and Diluted .	(0.01)	(0.03)	(0.05)	-----
Weighted Average Shares Outstanding	40,290,482	39,162,136	39,836,354	39,1-----

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See Notes to Condensed Financial Statements

NETMAXIMIZER.COM, INC.
(A Development Stage Enterprise)
STATEMENTS OF CASH FLOWS

	Nine Months		Cumulative from Inception
	Ended September 30,		
	2001	2000	
	----- (Unaudited)		----- (Unaudited)
Cash Flows from Operating Activities:			
Net loss	\$ (1,799,945)	\$ (3,174,364)	\$ (12,608,888)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization of deferred compensation	--	964,972	964,972
Amortization of discount	430,539	318,005	892,057

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Depreciation and amortization	295,612	246,004	751,694
Officer compensation	--	--	150,000
Consulting fees paid by stockholder on behalf of Company	--	--	24,000
Options granted for services	--	--	6,163,321
Common stock issued for services	--	200,000	205,000
Loss on sale of assets	23,082	--	23,082
Changes in operating assets and liabilities:			
Inventories	158,287	(138,158)	--
Other assets	34,324	(202,440)	(14,434)
Accounts payable and accrued liabilities	(202,084)	264,305	273,644
Accrued interest, stockholder	133,713	90,390	268,674
	-----	-----	-----
Net cash used in operating activities	(926,472)	(1,431,286)	(2,906,878)
	-----	-----	-----
Cash Flows from Investing Activities:			
Expenditures for property and equipment	--	(38,563)	(59,386)
Web site design costs	(737,800)	(485,000)	(1,272,800)
Other	(1,658)	(4,191)	(8,272)
	-----	-----	-----
Net cash used in investing activities	(739,458)	(527,754)	(1,340,458)
	-----	-----	-----
Cash Flows from Financing Activities:			
Proceeds from long-term debt, related party	--	1,830,939	1,980,939
Proceeds from sales of common stock	1,640,000	100,000	2,324,388
Repayments on long-term debt	(1,061)	(1,894)	(4,534)
	-----	-----	-----
Net cash provided by financing activities .	1,638,939	1,929,045	4,300,793
	-----	-----	-----
Net Increase (Decrease) in Cash	(26,991)	(29,995)	53,457
Cash, Beginning	80,448	39,055	--
	-----	-----	-----
Cash, Ending	\$ 53,457	\$ 9,060	\$ 53,457
	=====	=====	=====
Non-Cash Investing and Financing Transactions:			
Equipment purchased in exchange for debt	\$ --	\$ 15,794	
	=====	=====	

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See Notes to Condensed Financial Statements

NETMAXIMIZER.COM, INC.
(A Development Stage Enterprise)

NOTES TO CONDENSED FINANCIAL STATEMENTS

SEPTEMBER 30, 2001

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(Unaudited)

NOTE 1. SUMMARY OF BUSINESS OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and, in the opinion of management, include all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of financial position, results of operations and cash flows for the interim periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the SEC. The Company believes that the disclosures contained herein are adequate to make the information presented not misleading. The statements of operations for the three months and nine months ended September 30, 2001 are not necessarily indicative of the results to be expected for the full year. These unaudited financial statements should be read in conjunction with the audited financial statements and accompanying notes included in the Company's 2000 Annual Report on Form 10-K for the year ended December 31, 2000.

The condensed financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Recurring losses from operations and operating cash constraints are potential factors which, among others, may indicate that the Company will be unable to continue as a going concern for a reasonable period of time. The independent auditors' report on the December 31, 2000 financial statements stated that "... the Company's recurring losses from operations and current cash constraints raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty."

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis and ultimately to attain profitable operations.

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NETMAXIMIZER.COM, INC.
(A Development Stage Enterprise)

NOTES TO CONDENSED FINANCIAL STATEMENTS

SEPTEMBER 30, 2001
(Unaudited)

Business

The Company is an Internet marketing company that introduces customers to those who sell goods and services. The Company collects fees based

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on visitors who reach third party sites and commissions on any purchases made by such customers. The Company provides access to third party sites primarily to members of affinity groups such as churches, schools and unions.

NOTE 1. SUMMARY OF BUSINESS OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Development Stage Enterprise

As described above, the Company was incorporated on June 29, 1995, and, since that time, has been primarily involved in organizational activities, developing a strategic plan for the marketing of its products, and raising capital. Planned operations, as described above, have not commenced to any significant extent. Accordingly, the Company is considered to be in the development stage, and the accompanying financial statements represent those of a development stage enterprise.

Net Loss Per Common Share

The Company computes earnings (loss) per share in accordance with SFAS No. 128, "Earnings Per Share." This standard requires dual presentation of basic and diluted earnings per share on the face of the income statement for all entities with complex capital structures and requires a reconciliation of the numerator and denominator of the diluted earnings per share computation.

Net loss per common share (basic and diluted) is based on the net loss divided by the weighted average number of common shares outstanding during the year.

The Company's potentially issuable shares of common stock pursuant to outstanding stock options and warrants are excluded from the Company's diluted computation, as their effect would be anti-dilutive.

NOTE 2. WEB SITE DESIGN

These costs consist of fees for a total of \$1,694,800 paid to a consultant, which is owned or controlled by a major stockholder, as follows: \$1,406,800 to be paid in cash and 56,655 shares of Company common stock valued at the market value of such stock on the date of issuance (\$5.08 per share) or \$288,000.

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NETMAXIMIZER.COM, INC.
(A Development Stage Enterprise)

NOTES TO CONDENSED FINANCIAL STATEMENTS

SEPTEMBER 30, 2001
(Unaudited)

NOTE 2. WEB SITE DESIGN (Continued)

The following is an analysis of web site design costs by Phase as of

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September 30, 2001:

	Phase One	Phase Two	Phase Three	Phase Four	Phase Five	
	-----	-----	-----	-----	-----	-----
Cost	\$ 350,000	\$ 330,000	\$ 155,000	\$ 625,000	\$ 234,800	\$1,69
Accumulated amortization	350,000	137,500	51,667	119,663	--	65
	-----	-----	-----	-----	-----	-----
Unamortized cost	\$	\$ 192,500	\$ 103,333	\$ 505,337	\$ 234,800	\$1,03
	=====	=====	=====	=====	=====	=====

Phase One of the web site was available for use on November 4, 1999, and the Company commenced amortizing the cost of Phase One (\$350,000) over an estimated useful life of fourteen months as of that date. Phases Two and Three were placed in service during 2000, Phase Four was placed in service in 2001 and all are being amortized over an estimated useful life of thirty-six months. Phase Five has not yet been placed in service.

In the opinion of management, the functionality of the website and therefore recoverability of costs was not materially affected by the change in the Company's business model in the quarter ended June 30, 2001.

NOTE 3. DISPOSITION OF ASSETS

Inventory

In May 2001, pursuant to a change in business model, the Company sold all the inventory in a liquidation sale for approximately \$40,000. The inventory sold had a cost of approximately \$158,000.

Property and Equipment

In May 2001, the Company exchanged property and equipment with a net book value of approximately \$44,000 for prepaid rent of approximately \$21,000 resulting in a loss on sale of approximately \$23,000.

NOTE 4. COMMON STOCK

On September 13, 2000 the Company entered into an agreement to issue up to 1,000,000 units, comprised of one share of Company common stock and one warrant, for \$5.00 per unit for total proceeds of up to \$5,000,000. The warrant entitles the holder to purchase one share of Company common stock for \$10.00 for a term of five

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NETMAXIMIZER.COM, INC.
(A Development Stage Enterprise)

NOTES TO CONDENSED FINANCIAL STATEMENTS

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SEPTEMBER 30, 2001

(Unaudited)

NOTE 4. COMMON STOCK (Continued)

years. As of September 30, 2001, the Company received \$437,388 for the purchase of 87,477 units.

On February 12, 2001, the Company entered into an agreement to sell 666,666 units, comprised of one share of Company common stock and two warrants, for \$1.50 per unit for total proceeds of \$1,000,000. The warrant entitles the holder to purchase two shares of Company common stock for \$1.875 per share for a term of five years. The Company received \$1,000,000 of proceeds on February 14, 2001.

On May 16, 2001, the Company entered into an agreement to sell 333,333 units, comprised of one share of Company common stock and two warrants, for \$1.50 per unit for total proceeds of \$500,000. The warrant entitles the holder to purchase two shares of Company common stock for \$1.85 per share for a term of five years. The Company received \$500,000 of proceeds on May 16, 2001.

On August 29, 2001, the Company entered into an agreement to sell 66,666 units, comprised of one share of Company common stock and two warrants, for \$1.50 per unit for total proceeds of \$100,000. The warrant entitles the holder to purchase two shares of Company common stock for \$2.84 per share for a term of five years. The Company received \$100,000 of proceeds on August 29, 2001. The common shares subscribed were issued by the Company on November 12, 2001.

On September 18, 2001, the Company entered into an agreement to sell 26,666 units, comprised of one share of Company common stock and two warrants, for \$1.50 per unit for total proceeds of \$40,000. The warrant entitles the holder to purchase two shares of Company common stock for \$3.15 per share for a term of five years. The Company received \$40,000 of proceeds on September 18, 2001. The common shares subscribed were issued by the Company on November 12, 2001.

On October 1, 2001, the Company entered into an agreement to sell 66,666 units, comprised of one share of Company common stock and two warrants, for \$1.50 per unit for total proceeds of \$100,000. The warrant entitles the holder to purchase two shares of Company common stock for \$3.90 per share for a term of five years. The Company received \$100,000 of proceeds on October 1, 2001. The common shares subscribed were issued by the Company on November 12, 2001.

On October 19, 2001, the Company entered into an agreement to sell 13,333 units, comprised of one share of Company common stock and two warrants, for \$1.50 per unit for total proceeds of \$20,000. The warrant entitles the holder to purchase two

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NETMAXIMIZER.COM, INC.
(A Development Stage Enterprise)

NOTES TO CONDENSED FINANCIAL STATEMENTS

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SEPTEMBER 30, 2001
(Unaudited)

NOTE 4. COMMON STOCK (Continued)

shares of Company common stock for \$3.20 per share for a term of five years. The Company received \$20,000 of proceeds on October 19, 2001.

On November 3, 2001, the Company entered into an agreement to sell 66,666 units, comprised of one share of Company common stock and two warrants, for \$1.50 per unit for total proceeds of \$100,000. The warrant entitles the holder to purchase two shares of Company common stock for \$2.285 per share for a term of five years. The Company received \$20,000 of proceeds on November 3, 2001.

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

This Quarterly Report on Form 10-Q contains forward-looking statements. Any statements that are not statements of historical fact should be regarded as forward-looking statements. For example, the words "intends," "believes," "anticipates," "plans," and "expects" are intended to identify forward-looking statements. There are a number of important factors that could cause our actual results to differ materially from those indicated by such forward-looking statements. These factors include without limitation those factors contained in our Form 10-K for the year ended December 31, 2000, filed with the Securities and Exchange Commission. In addition, the recent terrorist attacks on the United States, possible responses by the U.S. government, the effects on consumer demand, the financial markets and other conditions increase the uncertainty inherent in forward-looking statements.

The following discussion of our results of operations and financial condition should be read together with our unaudited Financial Statements contained in Part I, Item 1 and the related Notes in this Form 10-Q, and our audited Financial Statements and the related Notes contained in our Form 10-K filed with the Securities and Exchange Commission.

Overview

On September 28, 2001 we announced that we ended our extensive beta testing and commenced revenue generating operations. As of that date, we opened eleven (11) originating sites, which are Internet portals that appear uniquely and individually branded for each affinity group enrolled in the Netmaximizer.com

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Affinity Group Program. An affinity group is a group of people who are members of an organization who share a common interest, such as a church, union or school. We create a link from the affinity group's web site to an originating site that enables the members of the affinity group to visit third party sites and make purchases, thereby generating fees and commissions which are paid to us. We in turn pay forty percent (40%) of those fees to the affinity group. Since September 28, we have opened originating sites for 76 additional affinity groups representing approximately 445,000 members.

On October 3, 2001, we announced that we had reached agreement with Consensus Investments Limited to extend our current financing arrangement with them until March 31, 2002. Based on a letter of intent executed last February, Consensus agreed purchase up to \$5 Million of our securities, called units, consisting of one share of our common stock plus warrants to purchase an additional two shares of stock at an exercise price equal to the closing bid price on the date the warrant was issued. The warrants expire five years from their date of issuance and the purchase price per unit is \$1.50. We also reported that we recently received \$360,000 from Consensus to purchase additional units, as disclosed elsewhere in this Quarterly Report. Consensus has thus far invested a total of \$1,860,000 in us, and along with the extension, they negotiated an increase in the total amount they may invest to \$7,600,000. Consensus is under no obligation to invest any additional funds, notwithstanding the extension of the financing arrangement.

On October 18, 2001, we announced the expansion of our business operations to offer free, individually branded online portals directly to certain businesses. We will create a link from a

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business' existing web site to an originating site. As the employees and customers of the business conduct their online activities through that originating site, their activities generate fees and commissions which are paid to us. We, in turn, pay to the business forty per cent (40%) of the money we receive as the result of those activities.

On October 23, 2001, we responded to the recent tragedies experienced in the United States by adapting our technology to provide a free, uniquely branded portal to certain charities and emergency service organizations virtually overnight. This will enable those agencies to receive funds derived from the fees and commissions generated when persons use their portal to conduct their regular activities online in the same manner as affinity groups and businesses receive such funds. Because of the charitable purpose being served by these originating sites, we have not fixed a standard forty percent rate to calculate the portion of fees and commissions to be paid to the charities and emergency service organizations. Instead, the rate will be negotiated between our management and the management of the charity.

A number of risks arise under this expanded business model, in addition to those disclosed in our prior reports filed with the Securities and Exchange Commission. Some important factors that could cause actual results or outcomes to differ materially from those discussed in the foregoing include, but are not limited to the following: whether members of affinity groups will use the sites and thereby generate usage fees, whether we will be able to open additional originating sites, whether we will be successful in recruiting additional affinity groups as program participants, whether employees and customers of businesses will use the sites and thereby generate fees and commissions, whether such usage will enhance a business' bottom line, whether we will be successful in recruiting businesses as program participants, whether charitable

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organizations will accept the donated portals or whether members of the public will use the donated sites and thereby generate fees and commissions, and whether or not additional funding will be forthcoming from Consensus.

Despite our enthusiasm as we commence revenue generating operations, we are cautious regarding the fourth quarter based on a deteriorating economic environment and the uncertain effects of the terrorist attacks of September 11, 2001. Like most consumer businesses, our business is affected by general economic, political and public safety conditions that impact consumer confidence and spending. The impact of these terrorist attacks and the government's response to them may have both short-term and long-term adverse effects on our revenues, results of operations, financial condition and prospects. It is likely that the terrorist attacks will have an immediate impact on our business as a result of the contraction in consumer confidence and a negative impact on the retail environment generally. Additional terrorist attacks or related events such as bioterrorism using anthrax could adversely impact all consumer businesses, including ours. It is not possible at this time to predict the longer-term effects of the attacks, or the impact of actions taken in response to the attacks, on general economic, political and public safety conditions and our results of operations.

Material Changes in Results of Operations

We remain a development stage company. As of September 30, 2001, full operations had not commenced, although we had begun revenue generating activities by opening a small number of affinity group originating sites. We intend to continue to open additional affinity group and

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business originating sites through the remainder of the year. Additionally, we plan to accelerate our marketing efforts on behalf of those and other affinity groups and businesses. Prior to September 28, 2001, although we had insignificant revenue generated from start-up operations, we had no material or substantive transactions or results of operations. As a result, no meaningful comparison can be made between our present operations and our operations during the years ended December 31, 1995 to December 31, 2000.

Material Changes in Financial Condition

Our total assets were approximately \$1,156,000 at September 30, 2001, compared with \$935,000 at December 31, 2000, and \$1,478,000 at June 30, 2001. The increase in assets during the first nine months of calendar year 2001 was primarily attributable to our further development of our web site. Notwithstanding the investment in our common stock, discussed below, our cash account declined due to our lack of revenue. Our cash and short-term investments were \$53,457 at September 30, 2001, compared with \$80,448 at December 31, 2000 and \$242,143 at June 30, 2001. Our current liabilities were \$703,852 at September 30, 2001, compared with \$751,881 at December 31, 2000 and \$829,885 at June 30, 2001. This decrease was principally the result of reduced operating costs.

During the three months ended September 30, 2001, we had minimal active business operations, resulting in revenue from operations of \$699. Although we began opening originating sites for actual operations as of September 28, 2001, because of the method by which we are compensated for activities through the originating sites, no significant revenue from those operations was earned during the quarter. For the nine months ended September 30, 2001, we also had

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revenue resulting from the liquidation sale of our inventory previously reported, \$40,126 during the second quarter when the sale was conducted and \$2,778 during the first quarter.

During the nine months ended September 30, 2001 we incurred costs and expenses of \$1,843,548 as compared to \$3,187,326 for the nine months ended September 30, 2000. This decrease was due primarily to the revision to our strategic plan, reducing the number of employees, eliminating inventory and certain infrastructure, and the recognition of deferred compensation (which only occurred during 2000). The approximate amounts of the components of the costs and expenses are as follows: amortization of web site design \$255,000; amortization of debt discount \$431,000; payroll \$299,000; professional fees \$124,000; interest on promissory notes \$135,000; rent \$95,000; consulting fees \$76,000; commissions \$61,000; telephone \$17,000; travel \$22,000; insurance costs \$18,000; Internet access \$13,000; depreciation \$9,000; other operating costs \$289,000. By comparison, the components of the costs and expenses of approximately \$480,000 for the three-month period ending September 30, 2001, are as follows: amortization of debt discount \$144,000; payroll \$81,000; amortization of web site design costs \$97,000; professional fees \$24,000; interest on promissory notes \$49,000; rent \$18,000; consulting fees \$0; commissions \$22,000; telephone \$(3,500); travel \$6,000; insurance costs \$4,000; Internet access \$4,000; depreciation \$2,000; other operating costs \$32,500.

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Liquidity and Capital Resources

As of September 30, 2001, we had \$53,457 in cash, as compared with \$80,448 at December 31, 2000. During this same nine-month period ending September 30, 2001, we received \$1,640,000 of proceeds from the sale of stock and warrants.

We intend to fund continuing operations of the Company through revenues generated by fees and commissions which are commencing as we establish additional operating sites. Nonetheless, it may be necessary for us to raise additional capital through additional sales of unregistered shares of our common stock conducted under exemptions provided by the Securities Act or by the rules of the SEC. There can be no assurance that we will be able to receive sufficient revenue for operations or to raise additional capital on favorable terms and in the time required. If we are unable to generate sufficient revenues from operations or raise additional capital it is questionable whether we could continue as a going concern.

Because of the revision to our business plan, we anticipate that our cash requirements will be smaller than originally projected due to the reduced number of employees and operating facilities that will be required, as well as the elimination of costs associated with inventory expansion and maintenance. Nonetheless, there can be no assurance that our actual expenditures for the remainder of the year will not exceed our estimated operating budget. Actual expenditures will depend upon a number of factors, some of which are beyond our control, including, among other things, reliability of the assumptions of management in estimating revenues versus costs and timing, and the time expended by professionals and consultants and fees associated therewith. Moreover, we have significant short term liabilities that must be satisfied.

Recent Financing

On August 29, 2001, we accepted a subscription from Consensus Investments Limited to purchase 66,666 units, comprised of one share of our common stock and two warrants, for \$1.50 per unit for total proceeds of \$100,000. The warrant entitles the holder to purchase two shares of our common stock for \$2.84 per share for a term of five years. The shares were issued on November 12, 2001.

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On September 18, 2001, we accepted a subscription from Consensus Investments Limited to purchase 26,666 units, comprised of one share of our common stock and two warrants, for \$1.50 per unit for total proceeds of \$40,000. The warrant entitles the holder to purchase two shares of our common stock for \$3.15 per share for a term of five years. The shares were issued on November 12, 2001.

On October 1, 2001, we accepted a subscription from Consensus Investments Limited to purchase 66,666 units, comprised of one share of our common stock and two warrants, for \$1.50 per unit for total proceeds of \$100,000. The warrant entitles the holder to purchase two shares of our common stock for \$3.90 per share for a term of five years. The shares were issued on November 12, 2001.

On October 19, 2001, we accepted a subscription from Consensus Investments Limited to purchase 13,333 units, comprised of one share of our common stock and two warrants, for \$1.50

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per unit for total proceeds of \$20,000. The warrant entitles the holder to purchase two shares of our common stock for \$3.20 per share for a term of five years. The shares have not yet been issued and therefore are not included in the number of shares outstanding reported herein.

On November 3, 2001, we accepted a subscription from Consensus Investments Limited to purchase 66,666 units, comprised of one share of our common stock and two warrants, for \$1.50 per unit for total proceeds of \$100,000. The warrant entitles the holder to purchase two shares of our common stock for \$2.285 per share for a term of five years. The shares have not yet been issued and therefore are not included in the number of shares outstanding reported herein.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

None.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

On August 8, 2001, a summons and complaint was filed in the United States Bankruptcy Court for the Eastern District of Pennsylvania by Global Financial Press, Inc., et al, as Debtor and Debtor-in-Possession seeking to recover payment they allege we owe them for services. They demand \$18,602.17 plus interests, costs and attorney's fees. Management contests the amount claimed but intends to try to negotiate a reasonable settlement to avoid the costs and uncertainties of litigation as soon as the Company's liquidity situation permits.

From time to time, the Company is a party to routine litigation incidental to its business. Management does not believe that any of these pending legal proceedings or the previously-reported suit by Charles Aker, individually or in the aggregate, will materially impact the Company's financial condition or results of operations.

Item 2. Changes in Securities.

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On August 29, 2001, we accepted a subscription from Consensus Investments Limited to purchase 66,666 units, comprised of one share of our common stock and two warrants, for \$1.50 per unit for total proceeds of \$100,000. The warrant entitles the holder to purchase two shares of our common stock for \$2.84 per share for a term of five years. The shares were issued on November 12, 2001.

On September 18, 2001, we accepted a subscription from Consensus Investments Limited to purchase 26,666 units, comprised of one share of our common stock and two warrants, for \$1.50 per unit for total proceeds of \$40,000. The warrant entitles the holder to purchase two shares of our common stock for \$3.15 per share for a term of five years. The shares were issued on November 12, 2001.

On October 1, 2001, we accepted a subscription from Consensus Investments Limited to purchase 66,666 units, comprised of one share of our common stock and two warrants, for \$1.50

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per unit for total proceeds of \$100,000. The warrant entitles the holder to purchase two shares of our common stock for \$3.90 per share for a term of five years. The shares were issued on November 12, 2001.

On October 19, 2001, we accepted a subscription from Consensus Investments Limited to purchase 13,333 units, comprised of one share of our common stock and two warrants, for \$1.50 per unit for total proceeds of \$20,000. The warrant entitles the holder to purchase two shares of our common stock for \$3.20 per share for a term of five years. The shares have not yet been issued and therefore are not included in the number of shares outstanding reported herein.

On November 3, 2001, we accepted a subscription from Consensus Investments Limited to purchase 66,666 units, comprised of one share of our common stock and two warrants, for \$1.50 per unit for total proceeds of \$100,000. The warrant entitles the holder to purchase two shares of our common stock for \$2.285 per share for a term of five years. The shares have not yet been issued and therefore are not included in the number of shares outstanding reported herein.

Item 3. Defaults Upon Senior Securities.

None.

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

None.

Item 5. Other Information

Except for agreements with our affinity groups, the Company has terminated substantially all of the leases and contracts previously disclosed. To the best information available to management, we believe there are no remaining material obligations under any of those leases or contracts.

Item 6. Exhibits and Reports on Form 8-K

(a) Index and Exhibits

None.

(b) The following report on Form 8-K was filed by the Company during the

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period covered by this report:

The Registrant filed a report dated September 28, 2001 on Form 8-K reporting an Item 5 event.

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SIGNATURE

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

Dated: November 14, 2001

NETMAXIMIZER.COM, INC.

/s/David A. Saltrelli

David A. Saltrelli, President
President

/s/Peter G. Schuster

Peter G. Schuster, Treasurer
Chief Financial Officer

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