

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

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

For the quarterly period ended September 30, 2001

or

[] TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE EXCHANGE ACT OF 1934
For the transition period from to

Commission file number: 0001058307

YSEEK, INC.
(Exact Name of Small Business Issuer in Its Charter)

Florida
(State or other jurisdiction of
incorporation or organization)

65-078-3722
(I.R.S. Employer Identi-
fication No.)

412 East Madison Street, Suite 1000, Tampa, Florida
(Address of principal executive offices)

33602
(Zip Code)

Registrant's telephone number, including area code: (813) 221-4429

Check whether the issuer: (1) filed all reports required to be filed by
Section 13 or 15(d) of the Exchange Act during the past 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

The number of shares of the registrant's common stock, par value \$.0001 per
share, outstanding as of November 14, 2001 was 22,315,100.

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YSEEK, INC.
BALANCE SHEET

September 30,
2001

(unaudited)

ASSETS

Current assets
Cash

\$

11

| | |
|-----------------------------|--------------|
| Prepaid expenses | 616,536 |
| Other receivables | 3,075 |
| Total current assets | 619,622 |
| Property and equipment, net | 599,505 |
| Other assets | |
| Shareholder loan receivable | 135,971 |
| Total Assets | \$ 1,355,098 |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | |
|---|--------------|
| Current liabilities | |
| Accounts payable and accrued expenses | \$ 13,522 |
| Current maturities of notes and loans payable | 74,951 |
| Total current liabilities | 88,473 |
| Long-term debt, less current portion | 7,536 |
| Stockholders' equity | |
| Common stock; \$.0001 par value; 50,000,000 shares authorized; 22,315,100 shares issued and outstanding | 2,231 |
| Paid in capital | 8,152,562 |
| Accumulated deficit | (6,895,704) |
| Total stockholders' equity | 1,259,089 |
| Total Liabilities and Stockholders' Equity | \$ 1,355,098 |

The accompany notes are an integral part of the financial statements.

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YSEEK, INC.

STATEMENTS OF OPERATIONS

<TABLE>

<CAPTION>

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|----------------------------|------------------------------------|----------------------------|
| | 2001 (unaudited) <C> | 2000 (unaudited) <C> | 2001 (unaudited) <C> | 2000 (unaudited) <C> |
| <S> | | | | |
| Revenues | \$ 214 | \$ - | \$ 385 | \$ - |
| Expenses | | | | |
| Selling, general and administrative | 997,689 | 791,698 | 2,835,453 | 1,477,709 |
| Total expenses | 997,689 | 791,698 | 2,835,453 | 1,477,709 |
| Other income (expense) | | | | |
| Interest income | 583 | 1,999 | 6,686 | 4,216 |
| Interest expense | (2,348) | (3,424) | (4,518) | (4,084) |
| Total other income (expense) | (1,765) | (1,425) | 2,168 | 132 |
| Loss from continuing operations | (999,240) | (793,123) | (2,832,900) | (1,477,577) |
| Discontinued operations | | | | |
| Income (loss) from discontinued carwash and quick-lube operations | - | - | - | (55,796) |
| Loss on disposal of property, equipment and related assets | - | - | - | (350,000) |
| Loss from discontinued operations | - | - | - | (405,796) |
| Net loss | \$ (999,240) | \$ (793,123) | \$ (2,832,900) | \$ (1,883,373) |
| Loss per common share | | | | |
| From continuing operations | \$ (.04) | \$ (.06) | \$ (.12) | \$ (.13) |
| Discontinued operations: | | | | |
| Loss from operations | - | - | - | - |
| Loss on disposal | - | - | - | (.03) |
| Total loss per share | \$ (.04) | \$ (.06) | \$ (.12) | \$ (.16) |
| Weighted average common shares outstanding | 22,315,100 | 12,776,389 | 23,947,203 | 11,844,231 |

</TABLE>

The accompany notes are an integral part of the financial statements.

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YSEEK, INC.
STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

| | Nine Months Ended September 30, | |
|--|------------------------------------|----------------|
| | 2001 | 2000 |
| | (unaudited) | (unaudited) |
| <S> | <C> | <C> |
| Cash flows from operating activities | | |
| Net loss | \$ (2,832,900) | \$ (1,883,373) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Stock issued for services | 104,688 | 805,920 |
| Contributed services | 8,750 | 32,500 |
| Depreciation and amortization | 66,691 | 393,890 |
| Loss from disposal of assets from discontinued operations | - | 350,000 |
| Loss from disposal of equipment | 13,566 | - |
| Writedown of property and equipment due to impairment | 129,773 | - |
| Recovery of amortization expense due to stock recision | (324,187) | - |
| Decrease in prepaid expenses | 2,732,933 | 16,015 |
| Increase in interest receivable | (8,249) | - |
| Increase in other receivables | (3,075) | - |
| Increase (decrease) in accounts payable and accrued expenses | (18,639) | 14,974 |
| Total adjustments | 2,702,251 | 1,613,299 |
| Net cash used in operating activities | (130,649) | (270,074) |
| Cash flows from investing activities | | |
| Acquisition of property and equipment | - | (5,187) |
| Decrease in deposits and other assets | 30,000 | 2,600 |
| Net proceeds from sale of discontinued business segment | - | 223,071 |
| Net cash provided by investing activities | 30,000 | 220,484 |
| Cash flows from financing activities | | |
| Payments on notes payable | (3,130) | (16,307) |
| Net proceeds from issuance of stock | - | 236,274 |
| Net proceeds from issuance of note and loans payable | 70,200 | - |
| Net advances from stockholder | 32,540 | (162,082) |
| Net cash provided by financing activities | 99,610 | 57,885 |
| Net increase (decrease) in cash and cash equivalents | (1,039) | 8,295 |
| Cash and cash equivalents, beginning of period | 1,050 | 37,626 |
| Cash and cash equivalents, end of period | \$ 11 | \$ 45,921 |

</TABLE>

The accompany notes are an integral part of the financial statements.

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YSEEK, INC.
STATEMENTS OF CASH FLOWS
(Continued)

Supplemental disclosures of noncash investing and financing activities:

In June 2001, 3,000,000 shares of common stock were returned to the Company related to goodwill originally valued at \$2,562,500.

The Company issued 932,000 shares of stock for consulting services valued at \$805,920 during the nine months ended September 30, 2000.

The Company issued 1,235,000 shares of stock for goodwill and capitalized software valued at \$1,206,250 during the nine months ended September 30, 2000.

The Company issued 297,000 shares of stock for contributed services valued at \$273,540 during the nine months ended September 30, 2000.

Supplemental disclosure of cash flow information:

The Company paid approximately \$1,572 in interest for the nine months ended September 30, 2001 and \$33,700 in interest for the nine months ended September 30, 2000.

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The information presented herein as of September 30, 2001, and for the three and nine months ended September 30, 2001 and 2000, is unaudited.

(1) Basis of Presentation:

The accompanying financial statements of Yseek, Inc. (the Company) have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and item 310(b) of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal required adjustments) considered necessary for a fair presentation have been included.

Operating results for the nine month period ended September 30, 2001, are not necessarily indicative of the results that may be expected for the year ending December 31, 2001. For further information, refer to the financial statements and footnotes included in the Company's annual report of Form 10-KSB for the year ended December 31, 2000.

Net loss per common share is computed in accordance with the requirements of Statement of Financial Accounting Standards No. 128 (SFAS 128). SFAS 128 requires net loss per share information to be computed using a simple weighted average of common shares outstanding during the periods presented. In computing diluted loss per share, warrants exercisable into common shares were excluded because the effect is antidilutive.

(2) Reformation Agreement and Loss From Impairment of Assets:

In December 1999, the Company purchased all the outstanding stock of Rankstreet.com, Inc. The total purchase price of \$2,763,510 (including the value of contingent shares issued in May, 2000 and February, 2001) was classified as goodwill. The goodwill was being amortized over five years and as of December 31, 2000, accumulated amortization totaled \$525,082.

Additionally, during 2000 the Company contracted with consultants to develop a web site for Rankstreet. The web site was capitalized with a value of \$206,250 and was being amortized over three years. Accumulated amortization as of December 31, 2000 was \$59,289.

In April 2001, the existing management and Board of Directors of the Company resigned and were replaced by individuals with experience with internet based businesses. The new Board of Directors evaluated the website and the goodwill that was acquired in the purchase of Rankstreet.com, Inc. and deemed it to be impaired and of no future value to the Company. Therefore the assets were written down to zero resulting in a loss from impairment of \$2,368,201. This loss was reflected in the March 2001 statement of operations as selling, general and administrative expenses.

Upon further investigation by the Company's new management it was determined that certain contingencies in the original acquisition agreement had not been met. In June 2001, the original stockholders of Rankstreet.com, Inc. entered into a reformation agreement with the Company. This agreement concluded that the 3,000,000 shares issued in December 1999 and May 2000 would be returned since the contingencies related to these shares had not been met. Those shares were returned to the Company in June 2001. This reformation results in a reduction in goodwill related to the Rankstreet acquisition of \$2,562,500, the original value of the shares issued. This results in the elimination of the impairment related to goodwill and the recovery of amortization in the amount of \$324,187. The impairment loss due to the Rankstreet website remains unchanged. The March 31, 2001 financial statements have been restated to reflect this agreement.

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(3) Stock Transactions:

During January and February of 2001, the Company issued 150,000 shares of common stock to individuals and other entities for services performed during the first quarter of 2001. The Company recognized an expense of \$31,250, the market value of the shares less a 50% discount because the shares are unregistered and the Company stock is not easily marketable.

During January and February of 2001, the Company issued 200,000 and 125,000 shares of common stock under six month and one year consulting agreements, respectively. The Company recorded a prepaid expense of \$73,438 related to these agreements, the market value of the shares less a 50% discount because the shares are unregistered and the stock is not easily marketable. The Company expensed \$61,719 and \$30,859 utilizing the straight line method over the life of the agreements for the six month and three month periods ended June 30, 2001, respectively. Additionally, options were granted to an individual as part of one of the agreements. The option agreement allows for the purchase of 75,000 shares of Company common stock for \$.50 per share for a period of three years. The other consulting agreement included issuance of 500,000 warrants at an exercise price of \$.50 per share.

During February 2001, the Company issued the final contingent 1,000,000 shares related to the 1999 business acquisition. The Company capitalized goodwill of \$203,100, the market value of the shares less a 50% discount because the shares are unregistered, are a significant block of stock and the Company stock is not easily marketable. See Note 2 regarding goodwill and shares rescinded.

(4) Note Payable:

On April 23, 2001, the Company borrowed \$40,000 from a relative of a Board member. The note calls for interest at a rate of 14% per annum. Interest and principal are due in full on April 22, 2002. The note is uncollateralized.

During the three months ended September 30, 2001, the Company borrowed \$30,200 from two officers of the Company and a Company owned by officers. There are currently no terms, except the loans will accrue interest at a rate of 14% per annum.

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Item 2. Management's Discussion and analysis of Financial Condition and Results of Operation

PLAN OF OPERATION

In the fourth quarter of 2000 and the first quarter of 2001, the Company entered into strategic alliances with companies and individuals with substantial experience in the Internet industry. The alliances allowed the Company to acquire management and marketing expertise through consulting agreements. Additionally, the Company acquired a ten-year software license for the use of a keyword biddable search engine and related domain names. Lastly, the Company entered into two traffic promotion agreements whereby each promoter will provide an aggregate of 45,000,000 hits to the Company web site. The Company issued stock in exchange for these agreements enabling the Company to move forward on its plans without the use of any funds.

In April 2001, the Company's officers resigned. Individuals affiliated with the consultants noted above were elected to the Board of Directors. These individuals have substantial experience with profitable Internet companies and web sites.

The Company's plans for the next twelve months include the launching of its search engine, Yseek.com. With the traffic promotion agreements in place, the Company believes there will be sufficient traffic to make the site a profitable internet portal. Additionally the Company's expansion plans include acquiring and developing other profitable business ventures.

In conjunction with planning the course of action for the next twelve months, the new Board of Directors investigated the viability of Rankstreet.com. Rankstreet was to be an all-in-one Web site including a directory, web counter and business to business Internet advertising agency. The Board determined that there was no value in pursuing the marketing and enhancement of the Rankstreet web site and has abandoned any such plans. Additionally, management determined that the contingencies stated in the acquisition agreement had not been met. In June, 2001, the former stockholders of Rankstreet.com, Inc. entered into a reformation agreement and returned 3,000,000 shares for which the contingencies were not met.

The Companies plans to market the Yseek.com search engine and to acquire and develop other profitable business ventures which will require additional funds. During April 2001, the Company received a \$40,000 loan from a relative of a Board member. The loan bears interest at 14% per annum and is due in April 2002.

As of June 30, 2001 the Company had minimal available funds. However, most of the Company's operations are being conducted within the consulting agreements entered into in the fourth quarter of 2000 and the cash outflows have been substantially reduced. Additionally two of the Company's officers and board members have agreed to fund the Company's operations as they currently exist.

There is currently no expected purchase or sale of plant and equipment or expected significant changes in the number of employees.

Item 6. Exhibits and Reports on Form 8-K

Exhibits

| Exhibit | Description | Number |
|---------|--|--------------------------------|
| (2) | Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession..... | None |
| (4) | Instruments defining the rights of holders, including Indentures | None |
| (10) | Material contracts | None |
| (11) | Statement re: computation of per share earnings..... | Note 1 to Financial Statements |

- (15) Letter re: Unaudited Interim Financial Information.....None
- (18) Letter on change in accounting principles.....None
- (19) Report Furnished to Security HoldersNone
- (22) Published report regarding matters submitted to
vote.....None
- (23) Consents of Experts and Counsel.....None
- (24) Power of Attorney.....None
- (99) Additional Exhibits.....None

(b) REPORTS ON FORM 8-K:

NONE

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

YSEEK, INC.

Dated: October 23, 2001

By: /s/ Bruce Hammil

BRUCE HAMMIL, President,
Chief Executive Officer,
Chief Financial Officer and
Chief Operating Officer