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VFINANCE COM
Form 10QSB
November 14, 2001

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

FORM 10-QSB
(MARK ONE)

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
SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD _____ TO _____

COMMISSION FILE NUMBER 1-11454-03

VFINANCE.COM, INC.
(EXACT NAME OF SMALL BUSINESS ISSUER AS SPECIFIED IN ITS CHARTER)

DELAWARE

58-1974423

(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

(I.R.S. EMPLOYER
IDENTIFICATION NO.)

3010 North Military Trail, Suite 300, Boca Raton, FL 33431

(Address of principal executive offices)

(561) 981-1000

(Issuer's telephone number)

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

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 No

State the number of shares outstanding of each of the issuer's classes
of common equity, as of September 30, 2001:

20,050,667

Transitional Small Business Disclosure Format (Check one): Yes ; No

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VFINANCE.COM, INC.

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FORWARD-LOOKING STATEMENTS.

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the Reform Act), we are hereby providing cautionary statements identifying important factors that could cause our actual results to differ materially from those projected in forward-looking statements made herein. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, identified through the use of words or phrases such as we or our management believes, expects, anticipates, hopes, words or phrases such as will result, are expected to, will continue, is anticipated, estimated, projection and outlook, and words of similar import) are not statements of historical facts and may be forward-looking. These forward-looking statements are based largely on our expectations and are subject to a number of risks and uncertainties, including but not limited to, economic, competitive, regulatory, growth strategies, available financing and other factors discussed elsewhere in this report and in the documents filed by us with the Securities and Exchange Commission (SEC). Many of these factors are beyond our control. Actual results could differ materially from the forward-looking statements made. In light of these risks and uncertainties, there can be no assurance that the results anticipated in the forward-looking information contained in this report will, in fact, occur.

These forward-looking statements involve estimates, assumptions, and uncertainties, and, accordingly, actual results may differ materially from those expressed in the forward-looking statements. These uncertainties include, among

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others, the following: (i) our potential inability to receive success fees as a result of transactions not being completed, (ii) a general decrease in merger and acquisition activities, (iii) increased competition from business development portals, management consultants and investment banks, (iv) technological changes, (v) our potential inability to implement our growth strategy through acquisitions or joint ventures, and (vi) our potential inability to secure additional debt or equity financing.

Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for our management to predict all of such factors, nor can our management assess the impact of each such factor on the business or the extent to which and factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

VFINANCE.COM, INC. CONSOLIDATED BALANCE SHEETS

	DECEMBER 31, 2000	(UNAUDITED) SEPTEMBER 2001
	-----	-----
ASSETS:		
Cash and cash equivalents	\$ 5,454,071	\$ 861,7
Restricted cash	--	200,0
Due from clearing broker	--	959,6
Investments in trading securities	350,074	741,0
Accounts receivable, net of allowance for doubtful accounts of \$10,769 and \$159,662 respectively	269,010	284,7
Forgivable loans - employees, current portion	--	376,0
Notes receivable - employees	149,666	226,2
Prepaid expenses and other current assets	62,041	78,2
	-----	-----
Total Current Assets	6,284,862	3,727,7
 Furniture and equipment, at cost:		
Furniture and equipment	158,326	1,437,0
Internal use software	113,080	146,8
	-----	-----
	271,406	1,583,9
Less accumulated depreciation	(120,719)	(806,6
	-----	-----
Net furniture and equipment	150,687	777,2
Forgivable loans - employees	--	893,0
Goodwill, net of accumulated amortization of \$16,324 and \$480,062, respectively	17,624	9,047,6
Deferred tax asset	--	97,5
Other assets	218,671	199,9
	-----	-----
TOTAL ASSETS	\$ 6,671,844	\$ 14,743,2
	=====	=====

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LIABILITIES AND SHAREHOLDERS' EQUITY:

Accounts payable	\$ 344,783	\$ 1,071,5
Accrued liabilities	242,704	1,705,8
Securities sold, not yet purchased	--	19,4
Lines of credit	--	297,6
Subordinated promissory notes	--	650,0
Notes payable, current portion	--	782,3
Capital lease obligations, current portion	--	34,1
Other	--	27,6
	-----	-----
Total Current Liabilities	587,487	4,588,5
Commitments and contingencies	--	200,0
Capital lease obligations	--	3,1
Deferred tax liability	--	145,0
Shareholders' Equity:		
Preferred stock, \$0.01 par value, 2,500,000 shares authorized; none and 172,500 issued and outstanding, respectively	--	1,7
Common stock, \$0.01 par value, 25,000,000 shares authorized; 14,982,178 and 23,062,178 shares issued, respectively, and 14,982,178 and 20,050,667 outstanding, respectively	149,822	230,6
Additional paid-in-capital on preferred stock	--	1,631,4
Additional paid-in-capital on common stock	12,441,008	20,158,6
Deferred compensation	(127,206)	(107,4
Accumulated deficit	(4,212,499)	(9,931,3
	-----	-----
	8,251,125	11,983,6
Less treasury stock	(2,166,768)	(2,177,1
	-----	-----
Total Shareholders' Equity	6,084,357	9,806,5
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 6,671,844	\$ 14,743,2
	=====	=====

VFINANCE.COM, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	THREE MONTHS ENDED SEPTEMBER 30,		EN
	2000	2001	2000
	-----	-----	-----
REVENUES:			
Commissions - agency	\$ --	\$ 1,084,051	\$
Commissions - principal	--	1,332,681	
Success fees	1,227,189	245,750	2,196,
Consulting and retainers	714,764	144,500	1,580,
Other brokerage related income	--	124,540	
Other	106,038	64,933	239,
	-----	-----	-----

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TOTAL REVENUES	2,047,991	2,996,455	4,016,
	-----	-----	-----
COST OF REVENUES:			
Commissions	--	1,326,702	
Clearing and transaction costs	--	253,088	
Success	1,221,238	134,358	2,186,
Consulting and retainers	286,556	--	524,
Other	--	12,145	
	-----	-----	-----
TOTAL COST OF REVENUES	1,507,794	1,726,293	2,710,
	-----	-----	-----
GROSS PROFIT	540,197	1,270,162	1,305,
	-----	-----	-----
OTHER EXPENSES:			
General and administrative	374,830	2,327,820	884,
Net loss on trading securities	--	48,510	
Professional fees	129,247	131,030	351,
Provision for bad debts	30,000	110,198	45,
Net unrealized loss on investments held for trading and stock purchase warrants	--	273,688	
Depreciation and amortization	10,530	222,188	36,
Amounts forgiven under forgivable loans	--	89,613	
Stock based compensation	217,249	15,000	3,677,
	-----	-----	-----
Total other expenses	761,856	3,218,047	4,993,
	-----	-----	-----
Loss from operations	(221,659)	(1,947,885)	(3,688,
Loss on sale of property	--	--	
Interest and dividend income (expense)	50,868	(10,668)	79,
	-----	-----	-----
NET LOSS	(170,791)	(1,958,553)	(3,608,
	=====	=====	=====
Less: Preferred stock dividend	--	30,625	
	-----	-----	-----
LOSS AVAILABLE TO COMMON STOCKHOLDERS	\$ (170,791)	\$ (1,989,178)	\$ (3,608,
	=====	=====	=====
Loss per share:			
Basic	(\$0.02)	(\$0.10)	(\$0
	=====	=====	=====
Weighted average number of common shares used in computing basic loss per share	10,768,201	19,758,380	9,608,
	=====	=====	=====
Diluted	(\$ 0.02)	(\$0.10)	(\$0
	=====	=====	=====
Weighted average number of common shares used in computing diluted loss per share	10,768,201	19,758,380	9,608,
	=====	=====	=====

vFinance.com, Inc.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(UNAUDITED)

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	PREFERRED STOCK	
	Shares	Amount
BALANCES AT DECEMBER 31, 1999	--	--
Issuance of common shares in connection with private placement (net of cash issuance costs of \$1,071,342 and non cash issuance costs of \$361,333)	--	--
Purchase of treasury stock	--	--
Issuance of common shares in connection with services rendered	--	--
Change in per share fair value of common shares under restricted stock performance plan (First Tranche Shares)	--	--
Amortization of deferred compensation under restricted stock performance plan (First Tranche Shares)	--	--
Issuance of common shares under the restricted stock performance plan (Second Tranche Shares)	--	--
Change in per share fair value of common shares under restricted stock performance plan (Second Tranche Shares)	--	--
Rescission of common shares under the restricted stock performance plan (Second Tranche Shares)	--	--
Issuance of compensatory stock options and stock purchase warrants	--	--
Amortization of deferred compensation (Second Tranche Shares)	--	--
Amortization of deferred compensation	--	--
Net loss	--	--
BALANCES AT DECEMBER 31, 2000	--	--
Issuance of shares in conjunction with acquisition of NW Holdings, Inc	172,500	1,725
Issuance of shares in conjunction with acquisition of Colonial	--	--
Accrued dividends payable on preferred shares	--	--
Net loss	--	--
BALANCES AT MARCH 31, 2001	172,500	1,725
Issuance of common shares in connection with Giachetti settlement	--	--
Issuance of common shares in connection with Murray settlement	--	--
Issuance of common shares in connection with Katz settlement	--	--
Private placement post effective amendment issuance costs	--	--
Accrued dividends payable on preferred shares	--	--
Amortization of deferred compensation	--	--
Purchase of treasury stock	--	--
Net loss	--	--
BALANCES AT JUNE 30, 2001	172,500	1,725
Issuance of shares in conjunction with acquisition of Critical Infrastructure	--	--
Issuance of common shares in connection with services rendered	--	--
Private placement post effective amendment issuance costs	--	--
Accrued dividends payable on preferred shares	--	--
Net loss	--	--
BALANCES AT SEPTEMBER 30, 2001	172,500	1,725

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	Additional Paid-in Capital Common -----	Additio Paid-in Capital Preferr -----
Balances at December 31, 1999	5,097,410	--
Issuance of common shares in connection with private placement (net of cash issuance costs of \$1,071,342 and non cash issuance costs of \$361,333)	5,905,324	--
Purchase of treasury stock	--	--
Issuance of common shares in connection with services rendered	2,539,361	--
Change in per share fair value of common shares under restricted stock performance plan (First Tranche Shares)	(3,740,872)	--
Amortization of deferred compensation under restricted stock performance plan (First Tranche Shares)	--	--
Issuance of common shares under the restricted stock performance plan (Second Tranche Shares)	7,498,667	--
Change in per share fair value of common shares under restricted stock performance plan (Second Tranche Shares)	(4,987,665)	--
Rescission of common shares under the restricted stock performance plan (Second Tranche Shares)	--	--
Issuance of compensatory stock options and stock purchase warrants	128,783	--
Amortization of deferred compensation (Second Tranche Shares)	--	--
Amortization of deferred compensation	--	--
Net loss	--	--
BALANCES AT DECEMBER 31, 2000	12,441,008	--
Issuance of shares in conjunction with acquisition of NW Holdings, Inc	1,697,750	--
Issuance of shares in conjunction with acquisition of Colonial	5,631,050	1,723,275
Accrued dividends payable on preferred shares	--	(30,625)
Net loss	--	--
BALANCES AT MARCH 31, 2001	19,769,808	1,692,650
Issuance of common shares in connection with Giachetti settlement	17,000	--
Issuance of common shares in connection with Murray settlement	26,400	--
Issuance of common shares in connection with Katz settlement	24,500	--
Private placement post effective amendment issuance costs	(8,401)	--
Accrued dividends payable on preferred shares	--	(30,625)
Amortization of deferred compensation	--	--
Purchase of treasury stock	--	--
Net loss	--	--
BALANCES AT JUNE 30, 2001	19,829,307	1,662,025
Issuance of shares in conjunction with acquisition of Critical Infrastructure	320,000	--
Issuance of common shares in connection with services rendered	14,500	--
Private placement post effective amendment issuance costs	(5,157)	--
Accrued dividends payable on preferred shares	--	(30,625)
Net loss	--	--
BALANCES AT SEPTEMBER 30, 2001	20,158,650	1,631,400

Treasury

Share

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	Stock	Eq
Balances at December 31, 1999	--	1
Issuance of common shares in connection with private placement (net of cash issuance costs of \$1,071,342 and non cash issuance costs of \$361,333)	--	5,9
Purchase of treasury stock	(6,822)	
Issuance of common shares in connection with services rendered	--	2,2
Change in per share fair value of common shares under restricted stock performance plan (First Tranche Shares)	--	
Amortization of deferred compensation under restricted stock performance plan (First Tranche Shares)	--	6
Issuance of common shares under the restricted stock performance plan (Second Tranche Shares)	--	
Change in per share fair value of common shares under restricted stock performance plan (Second Tranche Shares)	--	
Rescission of common shares under the restricted stock performance plan (Second Tranche Shares)	(2,159,946)	
Issuance of compensatory stock options and stock purchase warrants	--	
Amortization of deferred compensation (Second Tranche Shares)	--	3
Amortization of deferred compensation	--	6
Net loss	--	(3,9

BALANCES AT DECEMBER 31, 2000	(2,166,768)	6,0
Issuance of shares in conjunction with acquisition of NW Holdings, Inc	--	1,7
Issuance of shares in conjunction with acquisition of Colonial	--	7,4
Accrued dividends payable on preferred shares	--	(
Net loss	--	(1,3

BALANCES AT MARCH 31, 2001	(2,166,768)	13,8
Issuance of common shares in connection with Giachetti settlement	--	
Issuance of common shares in connection with Murray settlement	--	
Issuance of common shares in connection with Katz settlement	--	
Private placement post effective amendment issuance costs	--	
Accrued dividends payable on preferred shares	--	(
Amortization of deferred compensation	--	
Purchase of treasury stock	(10,392)	(
Net loss	--	(2,3

BALANCES AT JUNE 30, 2001	(2,177,160)	11,4
	=====	
Issuance of shares in conjunction with acquisition of Critical Infrastructure	--	3
Issuance of common shares in connection with services rendered	--	
Private placement post effective amendment issuance costs	--	
Accrued dividends payable on preferred shares	--	(
Net loss	--	(1,9

BALANCES AT SEPTEMBER 30, 2001	(2,177,160)	9,8
	=====	

VFINANCE.COM, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

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	NINE MONTH

	2000

OPERATING ACTIVITIES:	
Net loss	\$ (3,608,937)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:	
Depreciation and amortization	39,962
Bad debts	45,000
Amounts forgiven under forgivable loans	--
Compensation expense in connection with forgivable loans	--
Repayment of notes receivable, employees	--
Unrealized loss on trading securities	--
Unrealized gain on trading securities	--
Unrealized loss on stock purchase warrants	--
Unrealized gain on stock purchase warrants	--
Realized loss on sale of trading securities	--
Realized gain on sale of trading securities	--
Stock based compensation expense	3,677,215
Loss on sale of equipment	--
Changes in assets and liabilities:	
Due from clearing broker	--
Securities owned, market value	(597,388)
Accounts receivable	(146,102)
Forgivable loans	--
Notes receivable	--
Prepays and other current assets	(34,326)
Other assets and liabilities	(8,227)
Accounts payable and accrued liabilities	903,938
Advanced client costs	(14,735)
Securities sold, not yet purchased	--
Deferred revenues	(7,063)

NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	249,337
INVESTING ACTIVITIES:	
Purchase of equipment	(115,257)
Proceeds from sale of equipment	--
Purchase of businesses	--

NET CASH USED IN INVESTING ACTIVITIES	(115,257)
FINANCING ACTIVITIES:	
Borrowings under line of credit	--
Payment of long-term debt	--
Proceeds from issuance of common stock, net of registration costs	5,934,708
Payment of capital lease obligations	--
Repayment of shareholders loans	--
Purchase of treasury stock	--
Proceeds from letter of credit	--
Distributions to partners	(172,586)

NET CASH PROVIDED BY FINANCING ACTIVITIES	5,762,122
Increase (decrease) in cash and cash equivalents	5,896,202
Cash and cash equivalents at beginning of year	228,484

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Cash and cash equivalents at end of period

\$ 6,124,686
=====

SEE ACCOMPANYING NOTES.

vFinance.com, Inc.

Notes to Condensed Consolidated Financial Statements

September 30, 2001

(unaudited)

1. BASIS OF PRESENTATION

Our Company, vFinance.com, Inc. (doing business as vFinance, Inc.), is a "new breed" financial services enterprise committed to building a worldwide audience of individuals looking to create wealth through their equity investments and businesses. Our Company's website (www.vfinance.com) is one of the Internet's leading destinations for entrepreneurs, owners of small and medium sized businesses (SME), private (i.e. Angel) and institutional investors looking for capital or to make equity investments in high growth companies. Each month our website attracts an estimated 100,000 businesses from over 75 countries and communicates to approximately 40,000 high net worth individuals and institutional investors.

Utilizing the Internet and other traditional communication mediums, our Company generates income by providing our audience access to products and services that assist them in achieving their financial goals. Our Company's business model is scalable as the website provides sales leads to our Company's "bricks and mortar" businesses in the areas of investment banking, management consulting, brokerage and asset management. We provide these services through our wholly-owned operating subsidiaries, vFinance Investments, Inc., First Level Capital, Inc., vFinance Holdings, Inc., vFinance Advisors LLC, vFinance Investors LLC, Union Atlantic LC and vFinance Capital, L.C.

All significant intercompany balances and transactions have been eliminated in consolidation. Certain information and footnote disclosures which are normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to the rules of the Securities and Exchange Commission. In the opinion of management, all adjustments are of a normal recurring nature unless otherwise disclosed and are considered necessary for a fair presentation of the financial position and the results of operations of the Company for the interim periods presented herein. The financial data at December 31, 2000 is derived from audited financial statements, which are included in the Company's Form 10-KSB/A and should be read in conjunction with the audited financial statements and notes thereto. Interim results are not necessarily indicative of the results for the full year.

2. DESCRIPTION OF BUSINESS

vFinance Investments, Inc. ("VFI"), the principal operating subsidiary of Colonial Direct Financial Group, Inc. ("Colonial"), which is wholly owned by vFinance.com, Inc., is a full service securities firm that has served the investment community since 1990 and is engaged in securities brokerage, investment banking, securities trading and other related financial services activities. VFI's clientele is primarily composed of high net worth individuals throughout the United States and small to mid-sized institutions (such as hedge

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funds, money managers, mutual funds and pension funds). VFI also maintains a sales department of seasoned financial consultants, a research department and an equity syndicate department. VFI conducts its securities business out of 20 offices, three of which are corporate owned and from which the vast majority of its securities business is generated. VFI's remaining 17 offices are operated under operating agreements with independent contractors. VFI is registered as a broker-dealer with the SEC, is a member of the NASD, and is a market maker in more than 200 U.S. securities.

First Level Capital, Inc. ("LVL") provides investment banking services to small and medium sized companies and retail brokerage services to companies, financial institutions and high net worth investors. LVL is licensed to conduct activities as a broker-dealer in 49 states and has offices in New York, New Jersey and Florida. LVL commenced operations in 1998. LVL is registered as a broker-dealer with the SEC and is a member of the NASD.

vFinance.com, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)

September 30, 2001

(unaudited)

2. DESCRIPTION OF BUSINESS (CONTINUED)

vFinance Holdings, Inc. ("VFH") a Florida corporation, operates a branded Investment Banking Channel on the Web located at www.vfinance.com. The website is focused on providing business development tools, information, products and services to assist entrepreneurs and executives of small and medium sized enterprises to organize and grow their businesses. The website provides the small or medium business executive or entrepreneur with access to financing sources, ancillary service providers and information about the venture capital industry in general.

Union Atlantic LC ("UAL") is a management consulting firm which has been in operation for six years and provides corporations and high net worth individuals with management consulting services for the purpose of expediting corporate development. UAL works with senior management in assessing market conditions, and evaluating the client's assets (tangible and intangible) and its operational capabilities. UAL then identifies alternative strategies, establishes a process to build consensus and creates a strategy for effectively implementing change. All of this is formalized in a report that serves as a tactical tool to ensure communication and consistency in planning and coordination of efforts. UAL specializes in the technology and healthcare markets.

vFinance Capital, L.C. ("VFC") is a three-year old investment banking firm and is a broker-dealer registered with the SEC, a member of the NASD and registered as a broker-dealer in 14 states. It operates primarily from its headquarters in Boca Raton, Florida, as well as one branch office located in New York, NY. VFC provides a range of investment banking services with an emphasis on private placements of both debt and equity securities with institutional investors and merger and acquisition advisory services. VFC also performs market research, valuations, offering memoranda and fairness opinions.

Colonial Direct Retirement Services, Inc. ("CDRS"), a wholly owned subsidiary of Colonial, is a third party administrator of employee benefits and retirement plans and provides plan design, implementation and consulting, communication to employees, ongoing administration and compliance testing and offers expert technical advice. CDRS's pension business is comprised of three main areas: the

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legal and design area of setting up the formalized qualified plans and configuring a plan to meet the specific needs of the client, the annual administration of the plan (including required governmental compliance), and the financial management of the plan itself. The full range of retirement plans available include: ESOPs, 401(k) plans, Profit Sharing and Defined Benefit Pension plans and Cafeteria plans.

The Critical Infrastructure Fund, L.P. (the "Fund") was founded in 1999 by individuals who possess extensive corporate finance and regulatory experience. The New York-based Fund invests in equities and bonds of companies in regulated industries such as telecommunications, Internet, cable television and electric utilities infrastructure. It conducts all of its investment and trading activities through Critical Infrastructure BVI. The Company owns vFinance Investors LLC ("Investors", formerly known as Critical Investments, L.L.C.), which is the sole general partner and 20% owner of the Fund, and vFinance Advisors LLC ("Advisors", formerly known as Critical Advisors, L.L.C.), the sole management company of the Fund.

VFI, LVL, UAL and VFC earn revenue from retainers and success fees. Retainers are deferred when received and recognized when services are rendered, generally on a straight-line basis over the life of an agreement. Success fees are agreed upon amounts based on the percentage of the total value of a transaction and are contingent on the successful completion of a specified transaction. These fees are recognized at the completion of the transaction, per the terms of the contracts.

The Company does not require collateral from its customers. Revenues are not concentrated in any particular region of the country or with any individual or group.

vFinance.com, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)

September 30, 2001

(unaudited)

3. REVENUE RECOGNITION AND OTHER MATTERS

The Company periodically receives equity instruments and stock purchase warrants from companies as part of their compensation for investment banking services. Primarily all of the equity instruments are received from small public companies. Such stock purchase warrants are considered derivatives. The Company adopted Financial Accounting Standards Board Statement No. 133, Accounting for Derivative Instruments and Hedging Activities, ("SFAS No. 133") on January 1, 2000. The Company recognizes revenue for such equity instruments based on the fair value of the stock and for stock purchase warrants based on the Black-Scholes valuation model. On a monthly basis, the Company recognizes unrealized gains or losses in the statement of operations based on changes in the value of the equity instruments and stock purchase warrants. Realized gains or losses are recognized in the statement of operations when the related investments are exercised and sold. For the three and nine months ended September 30, 2001, the Company recognized \$38,000 and \$1,617,415, respectively, in revenue in connection with the receipt of such investments. For the three and nine months ended September 30, 2001, the Company recognized \$48,510 and \$132,918, respectively, in net realized losses in connection with the sale of certain securities and net unrealized losses of \$273,688 and \$1,423,336, respectively, in connection with changes in the value of such investments.

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Occasionally, the Company receives securities in private companies with no readily available market value. Equity interests and warrants for which there is not a public market are valued based on factors such as significant equity financing by sophisticated, unrelated new investors, history of positive cash flow from operations, the market value of comparable publicly traded companies (discounted for illiquidity) and other pertinent factors. Management also considers recent offers to purchase a portfolio company's securities and the filings of registration statements in connection with a portfolio company's initial public offering when valuing warrants.

The Company's policy is to periodically distribute proceeds from the sale of equity instruments and stock purchase warrants to its employees. Accordingly, unrealized gains or losses related to such investments held by the Company at each period also impact compensation expense and accrued compensation.

As of September 30, 2001, certain transactions in process may result in the Company receiving equity instruments or stock purchase warrants in subsequent periods as discussed above. In such event, the Company will recognize revenue related to the receipt of such equity instruments consistent with the aforementioned policies. In addition, the Company would also record compensation expense at fair value related to the distribution of some or all of such equity instruments to employees or independent contractors involved with the related transaction.

vFinance.com, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)

September 30, 2001

(unaudited)

3. REVENUE RECOGNITION AND OTHER MATTERS (CONTINUED)

VFH sells two types of listings to its website: (i) perpetual listings to venture capital vendors, who are interested in providing services to other companies or individuals; and (ii) three-month listings to entrepreneurs who have new business ideas to sell. Revenue related to the listings is generally recognized over the terms of such listings. VFH also sells two type of tools off its website: (i) "vSearch" a tool to help match entrepreneurs with venture capital firms; and (ii) "Angel Search" a tool that matches entrepreneurs with high net worth individuals. VFH's revenues are concentrated primarily in the United States, but are not concentrated in any particular region of the country or with any individual or group. Fees related to such listings are included in "other fees" in the statements of operations.

Primarily all listing sales are consummated using an on-line credit card processing service, which performs routine credit verification. VFH does not require collateral and receives payment directly from the credit card company. While there is potential for credit losses, credit losses have not been significant.

4. ACQUISITIONS

On January 4, 2001, the Company closed on the merger of Colonial Direct Financial Group, Inc. ("Colonial"), a Delaware corporation. All of the outstanding capital stock of Colonial was acquired. The acquisition was accounted for under the purchase method of accounting. The purchase price consisted of the issuance of 5,750,000 common shares of stock, the issuance of 625,000 stock options, the conversion of 490,000 stock options, the issuance of

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585,000 common stock purchase warrants and the issuance of 172,500 preferred shares of stock for total consideration of \$8,667,896. The purchase price was allocated to the assets acquired and the liabilities assumed with the excess of such purchase price of \$7,631,340 allocated to goodwill, which is being amortized over 15 years. The Colonial Merger Shares were issued on a pro rata basis to the Shareholders based on their relative ownership of Colonial Common Stock, except for twenty percent (20%) of the Majority Shareholders' pro rata share of the Colonial Merger Shares which were placed in escrow for a term of six months subject to offset by the Company to cover losses or damages to the Company due to breaches by the Majority Shareholders of their representations, warranties or covenants contained in the Colonial Merger Agreement. The Company has made a claim of offset seeking a return of all such Colonial Merger Shares held in such escrow to cover certain losses or damages to the Company due to breaches by the Majority Shareholders of their representations, warranties or covenants contained in the Colonial Merger Agreement.

On January 4, 2001, the Company closed on the merger of NW Holdings, Inc. ("NWH"), a Florida corporation. All of the outstanding capital stock of NWH was acquired. The acquisition was accounted for under the purchase method of accounting. The purchase price consisted of the issuance of 1,700,000 common shares of stock, the issuance of 575,000 stock options and cash of \$1,000,000 for total consideration of \$2,715,750. The purchase price was allocated to the assets acquired and the liabilities assumed with the excess of such purchase price of \$1,154,635 allocated to goodwill, which is being amortized over 15 years.

On August 20, 2001, the Company closed on the acquisitions of Critical Investments, L.L.C. and Critical Advisors, L.L.C. The acquisitions were immaterial to the financial statements of the Company taken as a whole. Investors records its 20% investment in the net income of Critical Infrastructure LP (the "Fund") under the equity method of accounting.

vFinance.com, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)

September 30, 2001

(unaudited)

4. ACQUISITIONS (CONTINUED)

The following unaudited pro forma condensed financial information reflects the results of operations and assets of the Company, Colonial and NWH as if the transactions had taken place on January 1, 2000 and 2001. This unaudited pro forma information does not purport to be indicative of the consolidated results of operations or financial position of the combined entities if the transaction had been consummated on the date indicated.

	THREE MONTHS ENDED SEPTEMBER 30,		NINE
	2000	2001	2000
Revenues	\$7,489,936	\$2,996,455	\$23,532,906
Net loss	(\$1,315,507)	(\$1,958,553)	(\$5,611,320)

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Loss per share	(\$0.08)	(\$0.10)	(\$0.39)
Total assets	\$17,209,690	\$14,743,240	\$17,209,690

5. STOCKHOLDER'S EQUITY

The Company has elected to follow Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees ("APB 25"), and related interpretations in accounting for its employees stock options and employee stock purchase warrants because the alternative fair value accounting provided for under State of Financial Accounting Standards No. 123, Accounting for Stock Based Compensation ("SFAS 123"), requires the use of option valuation models that were not developed for use in valuing employee stock options. Under APB 25, as permitted, if the exercise price of the Company's employee stock options or stock purchase warrants equals or exceeds the market price of the underlying stock on the date of grant, no compensation expense is recorded.

In connection with the Colonial Direct Financial Group, Inc. merger on January 4, 2001, the Company granted 625,000 options to certain employees, converted certain Colonial options into 490,000 options of the Company and issued 585,000 warrants to certain individuals. The options and warrants were issued at an exercise price of \$2.25 and are exercisable over a four-year period, beginning on January 4, 2002.

In connection with the NW Holdings, Inc. merger on January 4, 2001, the Company granted 575,000 options to certain employees. The options were granted at an exercise price of \$2.25 and are exercisable over a four-year period, beginning on January 4, 2002.

On July 6, 2001, the Company granted to each of Leonard J. Sokolow, President and Chief Executive Officer, and Timothy Mahoney, Chairman of the Board of Directors and Chief Operating Officer, 500,000 stock options in connection with certain stock option agreements that were part of their respective employment agreements. The stock options were granted at an exercise price of \$.625 and are exercisable over a three-year period, beginning on July 6, 2001. No compensation expense was recognized related to these stock options as the exercise price was in excess of the fair value.

vFinance.com, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)

September 30, 2001

(unaudited)

5. STOCKHOLDER'S EQUITY (CONTINUED)

In connection with the Critical acquisition on August 20, 2001, the Company issued 400,000 warrants to a former member and granted 100,000 options to a certain employee. The warrants and options were granted at an exercise price of \$.63. The warrants were fully vested on the date of acquisition and have an expiration date of ten (10) years from the closing date. The options vest to the extent of one-half on December 31, 2001 and one-half on December 31, 2002 have an expiration date of five (5) years from the closing date.

A summary of the stock option activity for the nine months ended September 30, 2001 is as follows:

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	Weighted Average Exercise Price -----	Number of Shares -----
Outstanding options at December 31, 2000	\$4.30	3,160,000
Granted	\$0.84	11,371,567
Canceled	\$2.20	(6,447,793)

Outstanding options at September 30, 2001		8,083,774 =====

A summary of the stock purchase warrant activity for the nine months ended September 30, 2001 is as follows:

	Weighted Average Exercise Price -----	Number of Shares -----
Outstanding warrants at December 31, 2000	\$ 5.81	2,296,666
Granted	\$ 1.59	985,000
Canceled	\$ 3.00	(1,166,667)

Outstanding warrants at September 30, 2001		2,114,999 =====

vFinance.com, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)

September 30, 2001

(unaudited)

5. STOCKHOLDER'S EQUITY (CONTINUED)

The following table summarizes information concerning stock options outstanding at September 30, 2001:

Weighted Average Exercise Price -----	Number Outstanding -----
0.35	2,778,427
0.63	2,620,000
1.00	1,172,000
2.25	473,347
2.50	75,000
3.00	210,000
3.25	100,000
4.00	220,000
4.13	30,000

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4.25	75,000
4.50	5,000
5.00	260,000
5.63	50,000
6.00	15,000

	8,083,774
	=====

The following table summarizes information concerning stock purchase warrants outstanding at September 30, 2001:

Weighted Average Exercise Price -----	Number Outstanding -----
0.63	400,000
2.25	585,000
2.50	300,000
6.00	129,999
7.20	700,000

	2,114,999
	=====

vFinance.com, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)

September 30, 2001

(unaudited)

6. EARNINGS PER SHARE

The Company calculates earnings per share in accordance with Statement of Financial Accounting Standards No. 128, Earnings Per Share ("SFAS No. 128"). In accordance with SFAS No. 128, basic earnings per share is computed using the weighted average number of shares of common stock outstanding and diluted earnings per share is computed using the weighted average number of shares of common stock and the dilutive effect of options and warrants outstanding, using the "treasury stock" method.

The following table sets forth the computation of basic and diluted earnings per share (in thousands except per share amounts) for the three months and nine months ended September 30, 2000 and 2001:

Three Months Ended September 30,		Nine Months September
-----	-----	-----
2000	2001	2000
-----	-----	-----

Numerator:

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Net loss	\$ (170,791)	\$ (1,958,553)	\$ (3,608,937)
Less: Preferred stock	----- --	----- 30,625	----- --
Loss available to common Stockholders	\$ (170,791) =====	\$ (1,989,178) =====	\$ (3,608,937) =====
Denominator:			
Denominator for basic earnings per share- weighted average shares	10,768,201	19,758,380	9,608,584
Effect of dilutive securities:			
Options	--	--	--
Warrants	--	--	--
Dilutive potential common shares	----- --	----- --	----- --
Denominator for diluted earnings per share- adjusted weighted average shares	10,768,201 =====	19,758,380 =====	9,608,584 =====
Pro forma basic loss per share	\$ (0.02) =====	\$ (0.10) =====	\$ (0.38) =====
Pro forma diluted loss per share	\$ (0.02) =====	\$ (0.10) =====	\$ (0.38) =====

vFinance.com, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)

September 30, 2001

(unaudited)

7. COMMITMENTS AND CONTINGENCIES

The Company is subject to legal proceedings and claims that have arisen in the ordinary course of business. Although occasional adverse decisions or settlements may occur, it is the opinion of the Company's management, based on information available at this time, that the expected outcome of these matters, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the consolidated financial position, results of operations or cash flows of the Company and its subsidiaries taken as a whole.

vFinance.com, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)

September 30, 2001

(unaudited)

8. SEGMENT INFORMATION

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The Company's operations consist of four principal business segments: brokerage, investment banking, corporate and other. The brokerage segment provides retail brokerage services to customers throughout the United States, the investment banking segment provides services with an emphasis on private placements of both debt and equity securities with institutional investors and merger and acquisition advisory services. The investment banking segment also performs market research, equity syndication, valuations, offering memoranda and fairness opinions. The corporate segment provides corporate and management support to the other segments. The other segment (i) provides business development tools, information, products and services to assist entrepreneurs and executives of small and medium sized enterprises to organize and grow their business, (ii) provides corporations and high net worth individuals with management consulting services for the purpose of expediting corporate development and (iii) reflects 20% of the net income of the Critical Infrastructure Fund, which invests in equities and bonds of companies in regulated industries such as telecommunications, Internet, cable television and electric utilities infrastructure.

Operating income or loss includes all costs and expenses directly related to the segment involved.

	Three months ended September 30,		Nine months ended September 30,	
	2000	2001	2000	2001
Revenues:				
Brokerage	\$ --	\$ 2,541,272	\$ --	\$ --
Investment banking	1,227,189	245,750	2,196,189	2,196,189
Other	820,802	209,433	1,819,947	1,819,947
	-----	-----	-----	-----
Total revenue	\$ 2,047,991	\$ 2,996,455	\$ 4,016,136	\$ 4,016,136
	=====	=====	=====	=====
Net income (loss):				
Brokerage	\$ --	\$ (911,185)	\$ --	\$ (911,185)
Investment banking	(125,240)	(72,261)	(222,025)	(222,025)
Corporate	(205,296)	(881,126)	(3,683,143)	(3,683,143)
Other	159,745	(93,981)	296,231	296,231
	-----	-----	-----	-----
Net loss	\$ (170,791)	\$ (1,958,553)	\$ (3,608,937)	\$ (3,608,937)
	=====	=====	=====	=====
Assets:				
Brokerage	\$ --	\$ 3,488,392	\$ --	\$ --
Investment banking	192,495	370,515	192,495	192,495
Corporate	6,784,924	10,415,096	6,784,924	6,784,924
Other	260,740	469,237	260,740	260,740
	-----	-----	-----	-----
Total assets	\$ 7,238,159	\$ 14,743,240	\$ 7,238,159	\$ 14,743,240
	=====	=====	=====	=====

vFinance.com, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)

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September 30, 2001

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9. NET CAPITAL AND RESERVE REQUIREMENTS

The broker-dealer subsidiaries of the Company are subject to the requirements of Rule 15c3-1 under the Securities Exchange Act of 1934. This rule requires the maintenance of minimal net capital and requires that aggregate indebtedness, as defined, not exceed fifteen times net capital, as defined. As of September 30, 2001, the net capital positions of the Company's broker-dealer subsidiaries were as follows:

	September 30, 2001

vFinance Investments, Inc.	
Ratio of aggregate indebtedness to net capital	406%
Net capital	\$301,793
Required net capital	\$227,500
First Level Capital, Inc.	
Ratio of aggregate indebtedness to net capital	129%
Net capital	\$230,177
Required net capital	\$100,000
vFinance Capital, L.C	
Ratio of aggregate indebtedness to net capital	143%
Net capital	\$ 19,750
Required net capital	\$ 5,000

VFI, LVL and VFC are exempt from the provisions of Rule 15c3-3, since they clear all transactions with and for customers on a fully-disclosed basis with clearing brokers.

Additionally, pursuant to Rule 15c3-1, all the firms must notify and obtain approval from the National Association of Securities Dealers, Inc. for any advances or loans to any other affiliate, if any such advances or loans would exceed in the aggregate, in any 30 calendar day period, 30% of that company's excess net capital or \$500,000. Rule 15c3-1 also provides that capital may not be withdrawn or cash dividends paid if resulting net capital would be less than 5% of aggregate debits or 120% of the minimum net capital required by rule.

10. RECENTLY ISSUED PRONOUNCEMENTS

In June 2001, the Financial Accounting Standards Board Issued Statement of Financial Accounting Standard No. 142, Goodwill and Other Intangible Assets, effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to annual impairment tests in accordance with the Statement. Other intangible assets will continue to be amortized over their useful lives.

The Company will adopt the new rules on accounting for goodwill and other intangible assets beginning in the first quarter of 2002. During 2002, the Company will apply the non-amortization provisions and perform the first of the required impairment tests of goodwill and indefinite lived intangible assets as

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of January 1, 2002. The Company has not yet determined what impact, if any, the Statement will have on the financial statements of the Company.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 2001 COMPARED TO THE
THREE MONTHS ENDED SEPTEMBER 30, 2000

AND

NINE MONTHS ENDED SEPTEMBER 30, 2001 COMPARED TO THE
NINE MONTHS ENDED SEPTEMBER 30, 2000

STATEMENTS OF OPERATIONS

Operating revenues were \$2,996,455 for the three months ended September 30, 2001, as compared to \$2,047,991 for the comparable period in 2000, an increase of \$948,464, or 46%. Operating revenues were \$11,905,002 for the nine months ended September 30, 2001, as compared to \$4,016,136 for the comparable period in 2000, an increase of \$7,888,866, or 196%. The increases noted above were primarily a result of the Colonial and NWH mergers, which were each consummated on January 4, 2001

Cost of revenues were \$1,726,293 for the three months ended September 30, 2001, as compared to \$1,507,794 for the comparable period in 2000, an increase of \$218,499, or 14%. Cost of revenues were \$7,381,239 for the nine months ended September 30, 2001, as compared to \$2,710,791 for the comparable period in 2000, an increase of \$4,670,448, or 172%. The increases in cost of revenues are primarily attributed to the Colonial and NWH mergers.

General and administrative expenses were \$2,327,820 and \$6,683,405 for the three and nine months ended September 30, 2001, as compared to \$374,830 and \$884,147 for the comparable periods in 2000, reflecting increases of \$1,952,990 and \$5,799,258, respectively. The increases in general and administrative expenses are primarily attributed to the Colonial and NWH mergers

The net loss on trading securities was \$48,510 and \$132,918 for the three and nine months ended September 30, 2001, as compared to none for the comparable periods in 2000. The increases were primarily due to the sale of certain securities at prices less than the fair value in prior periods.

Professional fees were \$131,030 and \$709,879 for the three and nine months ended September 30, 2001, as compared to \$129,247 and \$351,049 for the comparable periods in 2000, reflecting increases of \$1,783 and \$358,830, respectively. The increases were primarily due to an increase in legal and accounting fees in association with the preparation of various regulatory filings, and certain ongoing legal matters.

The provision for bad debts was \$110,198 and \$233,913 for the three and nine months ended September 30, 2001, as compared to \$30,000 and \$45,000 for the comparable periods in 2000, reflecting increases of \$80,198 and \$188,913, respectively. The Company provides for credit losses at the time it believes accounts receivable may not be collectible. Such evaluation is made and recorded on a monthly basis. Credit losses have not exceeded management's expectations.

The net unrealized loss on investments held for trading and stock purchase warrants was \$273,688 and \$1,423,336 for the three and nine months ended September 30, 2001, as compared to none for the comparable periods in 2000. The increases were primarily due to a decrease in the market value of certain investments held by the Company in conjunction with equity instruments received from various investment banking clients.

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Depreciation and amortization was \$222,188 and \$683,708 for the three and nine months ended September 30, 2001, as compared to \$10,530 and \$36,348 for the comparable periods in 2000, reflecting increases of \$211,658 and \$647,360, respectively. The increases were primarily due to goodwill amortization expense of \$157,854 and \$463,738, respectively, for three and nine months ended September 30, 2001 in connection with the Colonial and NWH mergers.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

STATEMENTS OF OPERATIONS (CONTINUED)

Stock based compensation expense was \$15,000 and \$104,500 for the for the three and nine months ended September 30, 2001, as compared to \$217,249 and \$3,677,215 for the comparable periods in 2000, reflecting decreases of \$202,249 and \$3,572,715, respectively. The decreases were primarily a result of certain deferred compensation being fully amortized in 2000.

Interest and dividend income was (\$10,668) and \$194,261 for the three and nine months ended September 30, 2001, as compared to \$50,868 and \$79,477 for the comparable periods in 2000, reflecting a decrease of \$61,536 and an increase of \$114,784, respectively. These fluctuations primarily relate to more or less proceeds earned on the Company's asset balances held with various financial institutions.

LIQUIDITY AND CAPITAL RESOURCES

The Company had \$861,722 of cash and cash equivalents at September 30, 2001. For the nine months ended September 30, 2001, net cash used in operating activities was \$3,068,634 as compared to net cash provided by operating activities of \$249,337 for the nine months ended September 30, 2000. Net cash used in operating activities for the nine months ended September 30, 2001 primarily resulted from the Company's net loss of \$5,718,996, which included net unrealized losses on trading securities and warrants of \$1,423,336 and depreciation and amortization of \$683,708, and a decrease in accounts payable and accrued liabilities of \$500,165, whereas net cash provided by operating activities for the nine months ended September 30, 2000 primarily resulted from net income (excluding stock based compensation expense, depreciation and amortization) of \$108,240.

Net cash used in investing activities was \$1,634,100 for the nine months ended September 30, 2001, as compared to \$115,257 for the nine months ended September 30, 2000. In the nine months ended September 30, 2001, net cash used in investing activities primarily related to \$1,433,954 in cash paid for the Colonial and NWH mergers and the purchase of \$211,646 of equipment. In the nine months ended September 30, 2000, net cash used in investing activities related to the purchase of equipment.

Net cash provided by financing activities was \$110,385 for the nine months ended September 30, 2001, as compared to net cash provided by financing activities of \$5,762,122 for the nine months ended September 30, 2000. In the nine months ended September 30, 2001, such increase primarily related to proceeds of \$200,000 from a letter of credit offset by the payment of certain debt obligations of \$142,727. In the nine months ended September 30, 2000, net cash provided by financing activities was primarily a result of proceeds from the Company's private placement.

The Company anticipates that it will need additional debt or equity financing in order to carry out its long-term business strategy. Such strategy may be financed by bank borrowings, public offerings, or private placements of equity or debt securities, or a combination of the foregoing. There are no assurances

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that the Company will be able to attract such debt or equity financing.

The Company does not have any material commitments for capital expenditures.

The Company's operations are not affected by seasonal fluctuations; however, they are to some extent reliant on the continuation of mergers and acquisitions and related financings in the entrepreneurial marketplace.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

None

Item 2. CHANGES IN SECURITIES

Acquisition of Critical Investments and Critical Advisors

On August 20, 2001, the Company closed on the acquisition of Critical Investments and Critical Advisors. The Company purchased all of the outstanding membership interests of Critical Investments and Critical Advisors in exchange for: (i) 400,000 unregistered shares of the Company's common stock, par value \$.01 per share, (ii) 400,000 stock purchase warrants, which have an exercise price of \$.625 per share and an expiration date of ten (10) years from the closing date and (iii) options to purchase 100,000 shares of the Company's common stock which have an exercise price of \$.625 per share and an expiration date of five (5) years from the closing date.

The above noted securities issued to the two investors were exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended, because the securities were acquired in a privately negotiated transaction by sophisticated investors.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None

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

None

Item 5. OTHER INFORMATION

The disclosure included in Item 2, Part II. of this Form 10-QSB relating to the Company's acquisition of Critical Investments, L.L.C. and Critical Advisors, L.L.C. is incorporated herein by reference.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

10.1 Securities Exchange Agreement, dated as of August 15, 2001, among Kathleen Wallman, Steven Wallman, Joseph Daniel and the Company.

10.2 Registration Rights Agreement, dated as of August 15, 2001, among Kathleen Wallman, Joseph Daniel and the Company.

10.3 Stock purchase warrant, dated August 15, 2001, issued to Kathleen Wallman to purchase 400,000 shares of the Company's common stock.

10.4 Stock purchase warrant, dated August 15, 2001, issued to Joseph

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Daniel to purchase 100,000 shares of the Company's common stock.

10.5 Employment agreement, dated August 15, 2001, between Joseph Daniel and the Company.

(b) Reports on Form 8-K

None

SIGNATURES

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

Signature	Title	Date
----- By: /s/ Leonard J. Sokolow ----- Leonard J. Sokolow	Chief Executive Officer and President (Principal Executive Officer)	November 14,
----- By: /s/ D. Carr Moody ----- D. Carr Moody	Chief Financial Officer and Secretary (Principal Financial and Chief Accounting Officer)	November 14,