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PARAGON POLARIS STRATAGIES COM INC

Form 10QSB

November 18, 2002

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United States
Securities and Exchange Commission
Washington, DC 20549

FORM 10Q SB

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

For the quarterly period ended SEPTEMBER 30, 2002

TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE
EXCHANGE ACT

Commission file Number 333 - 32634
PARAGON POLARIS STRATEGIES INC.

Exact name of small business issuer as specified in its charter

Nevada 76-0609444
(State or other jurisdiction of I.R.S. Employer Identification No.
incorporation or organization)

3215 Mathers Avenue, West Vancouver, BC V7V 2K6 Canada
(Address of principal executive office)

(604) 913-8355
Issuer's telephone number

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PAST FIVE YEARS

Check whether the registrant filed all documents and reports required
To be filed by Section 12, 13 or 15 (d) of the Exchange Act after
the distribution of
Securities under a plan confirmed by a court. Yes ____ No ____

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the Issuer's
common equity as of the last practicable date: 1,350,000 shares

Transitional Small Business Disclosure Format (check one) Yes ___ No X

PART I

FINANCIAL INFORMATION

Item 1. Financial Statements.

FINANCIAL STATEMENTS FOR THE THREE MONTH
AND NINE MONTH PERIODS
ENDING SEPTEMBER 30, 2002
(PREPARED BY MANAGEMENT)
PARAGON POLARIS STRATEGIES INC.
(A DEVELOPMENT STAGE ENTERPRISE)

BALANCE SHEET
AS AT SEPTEMBER 30, 2002
(PREPARED BY MANAGEMENT)

ASSETS

| | |
|-----------------|----------|
| CURRENT ASSETS: | |
| CASH | \$24,249 |
| OTHER ASSETS | |
| LICENSE RIGHTS | 0 |
| TOTAL ASSETS | 24,249 |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | |
|---|-----------|
| CURRENT LIABILITIES: | 0 |
| STOCKHOLDERS' EQUITY: | |
| COMMON STOCK, \$0.001 PAR VALUE; 100,000,000 SHARES AUTHORIZED AND 2,850,000 SHARES ISSUED AND OUTSTANDING | 2,850 |
| ADDITIONAL PAID-IN CAPITAL | 61,805 |
| DEEMED DIVIDEND RE: LICENSE RIGHTS | (2,000) |
| (DEFICIT) ACCUMULATED DURING THE DEVELOPMENT STAGE | (38,406) |
| TOTAL STOCKHOLDERS' EQUITY (DEFICIT) | 24,249 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 24,249 |

SEE ATTACHED NOTES
PARAGON POLARIS STRATEGIES INC.
(A DEVELOPMENT STAGE ENTERPRISE)

PARAGON POLARIS STRATEGIES.COM INC.
STATEMENT OF OPERATIONS
FOR THE THREE MONTH AND NINE MONTH
PERIODS ENDING SEPTEMBER 30, 2002 AND 2001

| THREE MONTHS ENDED | | NINE MONTHS ENDED | |
|--------------------|------|-------------------|------|
| SEPTEMBER 30 | | SEPTEMBER 30 | |
| 2002 | 2001 | 2002 | 2001 |

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| | | | | |
|---|-----------|-----------|-----------|-----------|
| REVENUES | 0 | 0 | 0 | 0 |
| OPERATING EXPENSES | | | | |
| OFFICE EXPENSES AND FILING FEES | 30 | 1,200 | 90 | 1,200 |
| LEGAL AND ACCOUNTING | 0 | 6,300 | 18,161 | 6,300 |
| TOTAL OPERATING EXPENSES | 30 | 7,500 | 18,251 | 7,500 |
| NET (LOSS) FOR THE PERIOD | (30) | (7,500) | (18,251) | (7,500) |
| NET (LOSS) PER SHARE | (0.00) | (0.00) | (0.01) | (0.00) |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | 2,850,000 | 2,600,000 | 2,850,000 | 2,600,000 |

SEE ATTACHED NOTES TO THESE STATEMENTS
PARAGON POLARIS STRATEGIES.COM INC.

STATEMENT OF CASH FLOWS
FOR THE SIX MONTH
PERIODS ENDING SEPTEMBER 30, 2002 AND 2001

NINE MONTHS ENDED

| | SEPTEMBER 30 | |
|--|--------------|------------|
| | 2002 | 2001 |
| CASH FLOWS FROM (TO) | | |
| OPERATING ACTIVITIES | | |
| NET INCOME (LOSS) | \$ (18,251) | \$ (7,500) |
| NET INCREASE (DECREASE) IN ACCOUNTS PAYABLE | (7,500) | 7,500 |
| TOTAL CASH FLOWS FROM (TO) OPERATING ACTIVITIES | (25,751) | 0 |
| CASH FLOWS FROM (TO) INVESTING ACTIVITIES | 0 | 0 |
| CASH FLOWS FROM (TO) FINANCING ACTIVITIES | | |
| ISSUANCE OF COMMON STOCK | 50,000 | 0 |
| NET INCREASE (DECREASE) IN CASH | 24,249 | 0 |
| CASH BEGINNING OF PERIOD | 50,000 | 0 |

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In a letter dated January 5, 2000 David Mortenson & Associates suspended all present and future payments under the License Agreement until their dispute with N.W. Technologies is resolved.

Due to the dispute regarding the water remediation license, David R. Mortenson and Associates gave an additional license to the Company on January 20, 2000. The license is to distribute vitamins, minerals, herbs and other health products and supplements via the Internet. The license calls for a 10% add-on for all products purchased and an annual \$500 website maintenance fee. The effective date of the License Agreement was January 3, 2000. The license is for an initial three years from the effective date and is automatically renewable unless either party to the license agreement gives ninety days written notice of non-renewal prior to expiration date. No amounts have been recorded in these financial statements regarding the granting of the license.

Dorothy Mortenson is the wife of David R. Mortenson. She is an original incorporator of the Company and served as Corporate Secretary until January 17, 2000 when her shares were purchased by present management. David R. Mortenson is a principal in both David Mortenson & Associates and Vitamineralherb.com. Neither Mr. nor Mrs. Mortenson own or have owned any of the Company's securities since November 24, 1999. Outside of his association with Vitamineralherb.com, Mr. Mortenson has no connection with Paragon Polaris. As a result, management considers that he is at arm's length with the Company.

Item 2. Management's Discussion and Analysis or Plan of Operation.

Paragon Polaris Strategies Inc. has a three-year license to market and sell vitamins, minerals, nutritional supplements, and other health and fitness products to medical professionals, alternative health professionals, martial arts studios and instructors, sports and fitness trainers, other health and fitness professionals, school and other fund raising programs and other similar types of customers. All of these individuals and organizations will order their products via the Internet for sale to their clients. The license will be automatically renewed unless the Company or VitaMineralHerb.com gives the other notice of its intent not to renew.

As a licensee of VitaMineralHerb.com, Paragon Polaris Strategies Inc. eliminates the need to develop products, store inventory, build and maintain a website, establish banking liaisons, and develop a fulfillment system, thereby enabling us to focus strictly on marketing and sales. The Company plans to target health and fitness professionals in the Province of Alberta, Canada who wish to offer health and fitness products to their customers.

Paragon Polaris (and its customers) will have access to all products offered on the VitaMineralHerb.com website, as well as the ability to order custom-formulated and custom-labeled products. VitaMineralHerb.com sets the price for products based on the manufacturer's price, plus a markup that provides a 10% commission to VitaMineralHerb.com and a profit for Paragon Polaris Strategies Inc.

(b) Management's Discussion and Analysis of Financial Condition and Results of Operations.

Liquidity and Capital Resources

Paragon Polaris Strategies Inc. remains in the development stage and, since inception, has experienced some small expenses for the preparation of

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financial statements and periodic reports as required by the Securities Exchange Act of 1934.

In January 2002 the registrant issued 250,000 shares of common stock as part of self-underwritten financing contained in its effective SB2 filing. Shortly thereafter sale of stock was terminated. Consequently, our balance sheet for the period ending June 30, 2002 reflects current assets of \$24,339 in the form of cash, and total assets of \$ 24,339.

During the three month period ending June 30, 2002, management reimbursed \$7,500 to a related party, paid \$6,840 in legal expenses \$7,321 in accounting charges and a further \$4,000 in electronic filing fees. The balance of \$24,339 is being retained as working capital pending scaling-down of our business plan and management's attempts to raise further capital.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Changes in Securities

None

Item 3. Defaults Upon Senior Securities

Not Applicable

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

None

Item 6. Exhibits and Reports on Form 8K

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, hereunto duly authorized.

PARAGON POLARIS STRATEGIES INC.

Dated November 13, 2002

/S/ Robert Foo
Robert Foo, President and Director

/S/ Samuel Lau
Samuel Lau, Secretary Treasurer