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MULTI TECH INTERNATIONAL CORP  
Form 10QSB  
May 21, 2003

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

FORM 10-QSB

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

For quarterly period ended March 31, 2003

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 0-25909

Multi-Tech International, Corp.

-----  
(Exact name of Small Business Issuer in its Charter)

Nevada

86-0931332

-----  
(State or other jurisdiction of  
incorporation or organization)

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

760 Killian Road, Akron, OH 44319

-----  
(Address of principal executive offices)

(216)849-4934

-----  
(Issuer's telephone number)

Check whether the issuer: (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

State the number of shares outstanding for each of the issuer's classes of Common Stock as of the last practical date:

Common Stock, \$0.001 par value per share, 40,257,934 outstanding as of May 19 2003 Preferred Non-Voting Stock, \$0.001 par value per share, one outstanding as of May 19, 2003.

Transactional Small Business Disclosure Format

Yes  No

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### PART I. FINANCIAL INFORMATION

#### ITEM 1. FINANCIAL STATEMENTS AND EXHIBITS

The unaudited financial statements of registrant for the three months ended March 31, 2003, follow. The financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim period presented.

MULTI-TECH INTERNATIONAL, CORP.  
(DEVELOPMENT STAGE COMPANY)  
INTERIM BALANCE SHEET  
AS AT MARCH 31, 2003

-----  
(UNAUDITED)

MARCH 31, 2003  
(UNAUDITED)

DECEMBER 31, 2002  
(AUDITED)

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ASSETS

CURRENT

Cash	\$	94	\$	0
Marketable securities		36,100		36,100
Prepaid assets and sundry assets		50,000		55,348

Total Current Assets		86,194		91,448
----------------------	--	--------	--	--------

FIXED

Equipment		31,387		33,479
Office furniture		5,418		5,619
Leasehold improvements		0		5,959
Vehicle		0		1,328

TOTAL FIXED ASSETS		36,805		46,385
--------------------	--	--------	--	--------

OTHER

Patents		4,207,744		4,204,744
---------	--	-----------	--	-----------

TOTAL OTHER ASSETS		4,207,744		4,207,744
--------------------	--	-----------	--	-----------

	\$	4,327,743	\$	4,342,577
--	----	-----------	----	-----------

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MULTI-TECH INTERNATIONAL, CORP.  
(A DEVELOPMENT STAGE COMPANY)  
INTERIM BALANCE SHEET  
AS AT MARCH 31, 2003

(UNAUDITED)

MARCH 31, 2003

DECEMBER 31, 2002

(UNAUDITED)

(AUDITED)

LIABILITIES

CURRENT

Accounts payable		18,434		18,434
Loans payable		11,002		10,826
Loan from a director		0		0
Note payable		4,297,248		4,301,776

		4,326,684		4,331,036
--	--	-----------	--	-----------

STOCKHOLDERS' EQUITY

Preferred stock, authorized 5,000,000

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shares par value 0.001		
-issued and outstanding - none	-	-
Common stock, authorized 1,00,000,000		
shares, par value 0.001		
issued and outstanding 40,257,934	40,258	40,908
(2002 - 40,907,934)		
Additional Paid in Capital	9,947,116	9,947,766
Donated Capital	818,871	818,871
Deficit accumulated		
during development stage	(10,805,186)	(10,796,004)
-----		
Total Stockholders' Equity	1,059	11,541
-----		
Total Liabilities and		
Stockholders' Equity	\$ 4,327,743	\$ 4,342,577
-----		

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MULTI-TECH INTERNATIONAL, CORP.  
(DEVELOPMENT STAGE COMPANY)  
INTERIM STATEMENT OF OPERATIONS

(UNAUDITED)

	THREE MONTHS ENDED MARCH 31	THREE MONTHS ENDED MARCH 31	YEAR ENDED DECEMBER 31, 2002	FROM INCEPTION SEPTEMBER 21, 1998 TO MARCH 31, 2003
	2003	2002		
	(UNAUDITED)	(UNAUDITED)	(AUDITED)	(UNAUDITED)
REVENUE	\$ 4,280	\$ 0	\$ 197	\$ 4,477
-----				
EXPENSES				
Selling, general and Administrative expenses	13,462	177,207	213,164	11,109,663
-----				
Total Operating Expenses	13,462	177,207	216,164	11,109,663
-----				
NET LOSS BEFORE UNDERNOTED ITEM	(9,182)	(177,207)	(212,967)	(11,105,186)
GAIN ON SETTLEMENT OF DEBT	0	0	300,000	300,000
-----				
NET INCOME (LOSS) FROM				

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OPERATIONS	\$ (9,182)	\$ (177,207)	\$ 87,033	\$ (10,805,186)
-----				
Weighted average number of shares outstanding	40,366,267	87,816,920	10,565,237	
-----				
Net income(loss) per share Basic	\$ -	\$ -	\$ 0.01	
-----				
Net income(loss) per share Fully Diluted	\$ -	\$ -	\$ 0.01	
-----				

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MULTI-TECH INTERNATIONAL, CORP.  
(A DEVELOPMENT STAGE COMPANY)  
INTERIM STATEMENT OF CASH FLOWS

(UNAUDITED)

	THREE MONTHS ENDED MARCH 31 2003	THREE MONTHS ENDED MARCH 31 2002	FROM INCEPTION SEPTEMBER 21, 1998 TO MARCH 31, 2003
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
-----			
Cash Flow From Operating Activities			
Net loss	\$ (9,182)	(177,207)	(10,805,186)
-----			
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock issued for services	(1,300)	176,330	9,739,979
Depreciation and amortization	2,293	621	6,118
Change in assets and liabilities			
(Increase) Decrease in prepaid expenses	5,348	0	(50,000)
Increase in accounts payable	0	0	18,434
-----			
	6,341	176,951	9,714,531
-----			
Cash Used In Operating Activities	(2,841)	(256)	(1,090,655)
-----			

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Cash Flow From Financing Activities			
Increase in loans payable	176	0	11,002
Stock issued on account of purchase of assets	0	0	30,321
Note payable on account of purchase of assets	(4,528)	0	4,297,248
Issuance of common stock for cash	0	0	216,374
Donated capital	0	0	818,871
-----			
Cash Provided by Financing Activities	(4,352)	0	5,373,816
-----			
Cash Flow From Investing Activities			
Purchase of fixed assets	0	0	(49,510)
Disposal of fixed assets	7,287	0	7,287
Acquisition of marketable securities	0	0	(36,100)
Acquisition of patents	0	0	(4,204,744)
-----			
Cash Used In Investing Activities	(7,287)	0	(4,283,067)
-----			
Increase (Decrease) In Cash	94	(256)	94
-----			
Cash and Cash Equivalents Beginning of Period	0	368	0
-----			
Cash and Cash Equivalents End of Period	\$ 94	\$ 112	\$ 0
-----			

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MULTI-TECH INTERNATIONAL, CORP.  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY - 1  
FROM INCEPTION (SEPTEMBER 21, 1998) TO MARCH 31, 2003

UNAUDITED

	COMMON STOCK SHARES	AMOUNT	ADDITIONAL PAID IN CAPITAL	DONATED CAPITAL	DEFICIT ACCUMULATE DURING DEVELOPME STAGE
September 21, 1998- issued for cash	3,000,000	\$ 3,000	\$ 5,016	\$ 0	\$ 0
-----					
Net loss for year ended December 31, 1998	0	0	0	0	(6,841)
-----					

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Balances as at December 31, 1998	3,000,000	3,000	5,016	0	(6,841)
February 28, 1999 - issued from sale of public offering	767,000	767	37,591	0	0
Net loss for year ended December 31, 1999	0	0	0	0	(28,815)
-----					
Balances as at December 31, 1999	3,767,000	3,767	42,607	0	(35,656)
-----					

The accompanying notes are an integral part of these financial statements.

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MULTI-TECH INTERNATIONAL, CORP.  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY - 2  
FROM INCEPTION (SEPTEMBER 21, 1998) TO MARCH 31, 2003

-----  
UNAUDITED

	COMMON STOCK SHARES	AMOUNT	ADDITIONAL PAID IN CAPITAL	DONATED CAPITAL	DEFICIT ACCUMULATE DURING DEVELOPME STAGE
FORWARD	3,767,000	3,767	42,607	0	(35,656)
March 10, 2000 - issued for cash	3,000,000	3,000	27,000	0	0
March 26, 2000 - issued for services	1,675,000	1,675	2,929,575	0	0
April 24, 2000 - issued for advertising services	1,000,000	1,000	1,199,000	0	0
June 5, 2000 - issued for services	200,000	200	119,800	0	0
June 15, 2000 - issued for services	944,220	944	376,744	0	0
July 21, 2000 - issued for services	500,000	500	134,500	0	0
July 21, 2000 - issued for services	2,000,000	2,000	538,000	0	0
July 14, 2000 - issued for services	575,000	575	154,675	0	0

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August 7, 2000 - issued for services	660,000	660	184,140	0	0
September 13, 2000 - issued for services	760,000	760	212,040	0	0
November 9, 2000 - issued for services	5,000,000	5,000	1,395,000	0	0
December 22, 2000 - issued for services	5,720,500	5,720	1,596,020	0	0
Shareholder donated capital	0	0	0	730,936	0
SUBTOTAL	25,801,720	25,801	8,909,101	730,936	(35,656)

The accompanying notes are an integral part of these financial statements.

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MULTI-TECH INTERNATIONAL, CORP.  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY - 3  
FROM INCEPTION (SEPTEMBER 21, 1998) TO MARCH 31, 2003

	UNAUDITED				DEFICIT ACCUMULATED DURING DEVELOPMENT STAGE
	COMMON STOCK SHARES	AMOUNT	ADDITIONAL PAID IN CAPITAL	DONATED CAPITAL	
FORWARD	25,801,720	25,801	8,909,101	730,936	(35,656)
Net Loss for year ended December 31, 2000	0	0	0	0	(4,391,448)
Balances as at December 31, 2000	25,801,720	25,801	8,909,101	730,936	(4,427,104)
March 2, 2001 - issued for services	10,890,000	10,890	479,160	0	0
April 11, 2001 - issued for services	22,625,000	22,625	181,000	0	0
April 11, 2001 - sold shares to qualified investor	12,500,000	12,500	57,500	0	0
May 15, 2001 - sold shares to qualified investor	12,500,000	12,500	57,500	0	0
June 1, 2001 - issued for services	3,500,000	3,500	171,500	0	0



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Shareholder paid expenses of business	0	0	0	87,935	0
2001 - issued restricted shares	6,601,633	6,602	0	0	0
Net Loss for year ended December 31, 2001	0	0	0	0	(6,455,933)
-----					
Balances as at December 31, 2001	94,418,353	94,418	9,855,761	818,871	(10,833,037)
-----					

The accompanying notes are an integral part of these financial statements.

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MULTI-TECH INTERNATIONAL, CORP.  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY - 4  
FROM INCEPTION (SEPTEMBER 21, 1998) TO MARCH 31, 2003

UNAUDITED

	COMMON STOCK SHARES	AMOUNT	ADDITIONAL PAID IN CAPITAL	DONATED CAPITAL	DEFICIT ACCUMULATED DURING DEVELOPMENT STAGE
FORWARD	94,418,353	94,418	9,855,761	818,871	(10,833,037)
November 15, 2002 - Reverse Stock Split (14.525:1)	(87,917,971)	(87,918)	87,918	0	
-----					
Balances - post stock split	6,500,382	6,500	9,943,679	818,871	(10,833,037)
December 9, 2002 - issued for asset purchase	30,320,522	30,321	0	0	
December 9, 2002 - issued for services	4,087,000	4,087	4,087	0	
Net Income for year ended December 31, 2002	0	0	0	0	87,037
-----					
Balances as at December 31, 2002	40,907,934	\$ 40,908	\$9,947,766	\$ 818,871	\$(10,796,000)
-----					
January 15, 2003 - cancelled consulting services of GCD Investments, LLC	(500,000)	(500)	(500)	0	
January 15, 2003 - cancelled consulting services of Rodney R. Schoemann	(150,000)	(150)	(150)	0	
Net Loss - three months					

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ended March 31, 2003	0	0	0	0	(9,18
-----					
Balances as at					
March 31, 2003	40,257,934	\$ 40,258	\$9,947,116	\$ 818,871	\$(10,805,18
-----					

The accompanying notes are an integral part of these financial statements.

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MULTI-TECH INTERNATIONAL, CORP.  
 (A DEVELOPMENT STAGE COMPANY)  
 NOTES TO INTERIM FINANCIAL STATEMENTS  
 AS AT MARCH 31, 2003  
 (UNAUDITED)

1. ORGANIZATION AND BASIS OF PRESENTATION

Nature of Business

Multi-Tech International, Corp. (the "Company") was incorporated on September 21, 1998 under the laws of the State of Nevada. The Company was originally incorporated under the name of Oleramma Inc. On April 28, 1999, the Company changed its name to BuckTV,Com, Inc. on the basis that the Company would market consumer products through an Interactive Web site. The Company's primary business operations are to engage in any lawful activity. The Company again changed its name in November 2002 to Multi-Tech International, Corp to more accurately describe the direction in which the Company has taken which is more accurately described below reflecting the acquisition made on November 15, 2002 as set out in Note 8 below. The Company trades on OTCBB as MLTI.

On November 15, 2002, the Company acquired all the assets of AlphaCom, Inc., setting a new strategic direction for the Company. The Company's principal business is now in the field of spectrum technologies for communications.

The Company is focused on developing and promoting spectrum technologies for broad-based applications worldwide. The spectrum technologies product(s) MLTI has developed provides far more efficient use of bandwidth. Through the use of narrow band frequencies and patented algorithms, MLTI spectrum technologies will use existing infrastructure with efficiencies exponentially greater than conventional technologies.

Referred to as "MLTI spectrum technology", it solves the power and noise problem through the use of filtration techniques and patented modulation algorithms. The result is a signal that can be carried over greater distances and with less power.

The Company's fiscal year end is December 31.

Development Stage Enterprise

The Company has no revenues and has just commenced operations. The Company's activities are accounted for as those of a "Development Stage Enterprise" as set forth in Financial Accounting Standards Board Statement No. 7 ("SFAS 7"). Among the disclosures required by SFAS 7 are that the Company's financial statements be identified

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as those of a development stage company, and that the statements of operations, stockholders' equity(deficit) and cash flows disclose activity since the date of the Company's inception.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

These financial statements are presented on the accrual method of accounting in accordance with generally accepted accounting principles accepted in the United States. In the opinion of management, these interim financial statements include all adjustments necessary in order to make them not misleading..

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

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MULTI-TECH INTERNATIONAL, CORP.  
(A DEVELOPMENT STAGE COMPANY)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2003  
(UNAUDITED)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Cash and Cash Equivalents

The Company considers all highly liquid debt instruments and investments, purchased with an original maturity date of three months or less, to be cash equivalents.

#### Fixed Assets

All fixed assets are recorded at their acquisition price. Since these assets were acquired on November 15, 2002, management has determined that as of the balance sheet date these assets have not been put to use and therefore the Company has not taken any depreciation on these assets as of March 31, 2002.

#### Income Taxes

The Company accounts for income taxes under SFAS No. 109, which requires the asset and liability approach to accounting for income taxes. Under this method, deferred assets and liabilities are measured based on differences between financial reporting and tax bases of assets and liabilities measured using enacted tax rates and laws that are expected to be in effect when differences are expected to reverse.

#### Net earnings (loss) per share

Basic and diluted net loss per share information is presented under

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the requirements of SFAS No. 128, Earnings per Share. Basic net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding for the period, less shares subject to repurchase. Diluted net loss per share reflects the potential dilution of securities by adding other common stock equivalents, including stock options, shares subject to repurchase, warrants and convertible preferred stock, in the weighted-average number of common shares outstanding for a period, if dilutive. All potentially dilutive securities have been excluded from this computation, as their effect is anti-dilutive.

### Fair Value of Financial Instruments

The carrying amount of cash, marketable securities, prepaid expenses and sundry assets, accounts payable, loans payable, and notes payable are considered to be representative of their respective fair values because of the short-term nature of these financial instruments

### Recently Issued Accounting Standards

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets" effective for fiscal years beginning after March 15, 2001. SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001 and also specifies the criteria for the recognition of intangible assets separately from goodwill. Under the new rules, goodwill will no longer be amortized but will be subject to an impairment test at least annually. Separately identified and recognized intangible assets resulting from business combinations completed before July 1, 2001 that do not meet the new criteria for separate recognition of intangible assets will be subsumed in

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MULTI-TECH INTERNATIONAL, CORP.  
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NOTES TO INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2003  
(UNAUDITED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)  
Recently Issued Accounting Standards (continued)

goodwill upon adoption. Other intangible assets that meet the new criteria will continue to be amortized over their useful lives. The Company adopted the new rules on accounting for goodwill and other intangible assets on January 1, 2002. The adoption of SFAS Nos. 141 and 142 had no impact on the Company's financial statements at transition.

In October 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 supersedes SFAS No.121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." The primary objectives of SFAS No. 144 are to develop one accounting model based on the framework established in SFAS No. 121 for long-lived assets to be disposed of by sale, and to address significant

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implementation issues. The Company's adoption of SFAS No. 144 on January 1, 2002 had no material impact on our financial position and results of operations.

In November 2002, the FASB issued Interpretation, or FIN, No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, including Indirect Guarantees of Indebtedness of Others." FIN 45 elaborates on the existing disclosure requirements for most guarantees, including residual value guarantees issued in conjunction with operating lease agreements. It also clarifies that at the time a company issues a guarantee, the company must recognize an initial liability for the fair value of the obligation it assumes under the guarantee and must disclose that information in its interim and annual financial statements. The initial recognition and measurement provisions apply on a prospective basis to guarantees issued or modified after December 31, 2002. The disclosure requirements are effective for the financial statements of interim or annual periods ending after December 15, 2002. Our adoption of FIN 45 will not have a material impact on our results of operations and financial position.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation -- Transition and Disclosure." This statement amends SFAS 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements of SFAS 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based accounting for employee compensation and the effect of the method used on reported results. The Company is currently evaluating whether to adopt the fair value based method.

In January 2003, the FASB issued FIN No. 46, "Consolidation of Variable Interest Entities." FIN No. 46 requires that unconsolidated variable interest entities be consolidated by their primary beneficiaries. A primary beneficiary is the party that absorbs a majority of the entity's expected losses or residual benefits. FIN No. 46 applies immediately to variable interest entities created after January 31, 2003 and to existing variable interest entities in the periods beginning after June 15, 2003. Our adoption of FIN No. 46 will not have a material impact on our results of operations and financial position.

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MULTI-TECH INTERNATIONAL, CORP.  
(A DEVELOPMENT STAGE COMPANY)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2003  
(UNAUDITED)

### 3. MARKETABLE SECURITIES

Management determines the appropriate classification of investments in debt and equity securities at the time of purchase and re-evaluates such designation as of each subsequent balance sheet date. Securities for which the Company has the ability and intent to hold to maturity are classified as "held to maturity".

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Securities classified as "trading securities" are recorded at fair value. Gains and losses on trading securities, realized and unrealized, are included in earnings and are calculated using the specific identification method. Any other securities are classified as "available for sale." At March 31, 2003 all securities were classified as trading securities.

As part of the purchase price of the assets of Alphacom, Inc as more particularly described in Note , the Company received 277,698 shares of American Millenium Corporation trading on OTCBB under the symbol of AMCI. This Company has approximately 45 million shares outstanding to date. The current market value of the stock is \$ 0.13 per share or \$ 36,100.

#### 4. CAPITAL STOCK TRANSACTIONS

On September 22, 1998, the Company issued 3,000,000 shares of its \$0.001 par value common stock for cash of \$8,016.

On February 28, 1999, the Company completed a public offering that was registered with the State of Nevada pursuant to N.R.S. 90.490 and was exempt from federal registration pursuant to Regulation D, Rule 504 of the Securities Act of 1933 as amended. The Company sold 767,000 shares of Common Stock at a price of \$0.05 per share for a total amount raised of \$38,360.

On March 10, 2000, the Company issued 3,000,000 shares of its \$0.001 par value common stock for cash of \$30,000.

On March 28, 2000, the Company filed Form S-8 with the U.S. Securities and Exchange Commission and issued an additional 1,675,000 shares of its \$0.001 par value common stock for services to the Company for a total consideration of \$ 2,931,250.

On April 24, 2000, by Board Resolution the company issued 1,000,000 restricted 144 shares to BuckBuilders.com, Inc., for advertising the Company's website and auction partners plan for a total consideration of \$ 1,200,000.

On June 5, 2000, by Board Resolution the Company issued 200,000 restricted 144 shares to OTC Live, Inc for services for a total consideration of \$ 120,000.

On June 15, 2000, by Board Resolution the Company issued 944,220 restricted 144 shares to Myfreestore.com for services rendered for a total consideration of \$ 377,688.

On July 14, 2000, the Company filed Form S-8 with the U.S. Securities and Exchange Commission and issued an additional 575,000 shares of its \$0.001 par value common stock for services to the Company for a total consideration of \$ 155,250.

On July 21, 2000, by Board Resolution the company issued 500,000 restricted 144 shares to Rodney Schoemann, Sr. for services rendered for a total consideration of \$ 135,000.

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MULTI-TECH INTERNATIONAL, CORP.  
(A DEVELOPMENT STAGE COMPANY)

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### NOTES TO INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2003 (UNAUDITED)

#### 4. CAPITAL STOCK TRANSACTIONS (CONTINUED)

On July 21, 2000, by Board Resolution the company issued 2,000,000 restricted shares to BuckBuilders.com, Inc. for services rendered for a total consideration of \$ 540,000.

On August 17, 2000 the Company filed Form S-8 with the U.S. Securities and Exchange Commission and issued an additional 660,000 shares of its \$0.001 par value common stock for services to the Company for a total consideration of \$ 184,800.

On September 13, 2000, by Board Resolution, the Company issued 760,000 restricted 144 shares to Washington Hamilton Group, for services to the Company for a total consideration \$ 212,800.

On November 9, 2000, by Board Resolution, the Company issued 5,000,000 shares of restricted 144 shares to Bry Behrmann and Larry E Hunter for services rendered for a total consideration of \$1,400,000.

On December 22, 2000, the Company issued 5,720,500 shares of restricted 144 shares to Stephen Bishop for services rendered for a total consideration of \$ 1,601,740.

On March 2, 2001, the Company filed Form S-8 with the U.S. Securities and Exchange Commission and issued an additional 10,890,000 shares of its \$0.001 par value common stock for services to the Company.

On April 11, 2001, the Company filed Form S-8 with the U.S. Securities and Exchange Commission and issued an additional 22,625,000 shares of its \$0.001 par value common stock for services to the Company.

On April 11, 2001 the Company issued 12,500,000 shares of its \$0.001 par value common stock for \$70,000 cash, to a qualified investor.

On May 15, 2001 the Company issued 12,500,000 shares of its \$0.001 par value common stock for \$70,000 cash, to a qualified investor.

On June 1, 2001, the Company filed Form S-8 with the U.S. Securities and Exchange Commission and issued an additional 3,500,000 shares of its \$0.001 par value common stock for services to the Company for a total consideration of \$ 175,000.

During various times of the year 2001, the Company issued a total of 6,601,633 shares of its \$0.001 par value common stock for services to the Company.

On November 20, 2002 the Company filed Form 8-K with the U.S. Securities and Exchange Commission indicating that at a Board Of Directors' meeting held on October 25, 2002 the Board announced a 14.525 to 1 reverse stock split, after which there were six million five hundred thousand and three hundred and eighty-two (6,500,382) common shares outstanding.

On November 20, 2002 the Company filed Form 8-K with the U.S.

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Securities and Exchange Commission indicating that the Company had acquired all of the assets of AlphaCom, Inc. in exchange for 30,320,552 of its \$0.001 par value of common stock and a note for \$4,319,000.

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MULTI-TECH INTERNATIONAL, CORP.  
(A DEVELOPMENT STAGE COMPANY)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2003  
(UNAUDITED)

4. CAPITAL STOCK TRANSACTIONS (CONTINUED)

On December 9, 2002 the Company issued 3,087,000 of its \$0.001 par value common stock in exchange for services to the Company for a total consideration of \$6,174.

On December 12, 2002 the Company filed Form S-8 with the U.S. Securities and Exchange Commission and issued one million (1,000,000) of its \$0.001 par value common stock in exchange for services to the Company.

On January 15, 2003, certain consulting agreements were cancelled which resulted in the cancellation of 650,000 shares of common stock.

5. GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplates continuation of the Company as a going concern.

The future success of the Company is likely dependent on its ability to attain additional capital to develop its proposed technologies and ultimately, upon its ability to attain future profitable operations. There can be no assurance that the Company will be successful in obtaining financing, or that it will attain positive cash flow from operations.

6. INCOME TAXES

There has been no provision for U.S. federal, state, or foreign income taxes for any period because the Company has incurred losses in all periods and for all jurisdictions.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of deferred tax assets are as follows:

Deferred tax assets	
Net operating loss carry forwards	\$10,796,004
Valuation allowance for deferred tax assets	(10,796,004)
	-----
Net deferred tax assets	\$-
	-----



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Realization of deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain. Accordingly, the net deferred tax assets have been fully offset by a valuation allowance. As of March 31, 2003, the Company had net operating loss carry forwards of approximately \$10,796,004 for federal and state income tax purposes. These carry forwards, if not utilized to offset taxable income begin to expire in 2013. Utilization of the net operating loss may be subject to substantial annual limitation due to the ownership change limitations provided by the Internal Revenue Code and similar state provisions. The annual limitation could result in the expiration of the net operating loss before utilization.

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MULTI-TECH INTERNATIONAL, CORP.  
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7. COMMITMENTS

Contracts

On the purchase of assets from Alphacom, Inc. as set out in Note 8 the Company has the following licenses and/or joint venture agreements in place.

UNT, INC.

The Company has entered into a licensing agreement with UNT, Inc., a Pennsylvania company on July 29, 2002 which supercedes the original agreement entered into by Alphacom, Inc. in March 1999. The new agreement covers the territories of Israel and the Ukraine and calls for UNT, Inc. to remit to Alphacom 50% of any sublicense fees and to receive an ongoing royalty of \$ 2.00 per Subscriber per month whether such Subscriber is being billed for services or not. This agreement expires in July 2012.

E:GO SYSTEMS.COM PLC

On March 6, 2000, Alphacom, Inc. entered into an exclusive license arrangement with E:Go Systems.com PLC which covers most of the European Union Countries. The initial license fee was \$ 500,000 cash and \$ 500,000 of equivalent value in the shares of E:Go. The Company is to receive an ongoing royalty of \$2.00 per Subscriber per month whether such Subscriber is being billed for services or not. Additional license fees will be payable totaling 50% of such license fees payable by sublicensees introduced by E:Go, or 70% if such sublicensees are introduced by the Company.

ITM

There is also an existing Joint Venture Master License agreement with ITM, Ltd. ("ITM") that covers the countries of Asia, Eastern Europe and South America. ITM and Alphacom have established a joint venture under the name of Alphacom International, Ltd. of which

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Alphacom owns 5%. The Joint Venture has agreed to pay to Alphacom 50% of any sublicensing fees earned up until such payments equal \$37,500,000 and in addition Alphacom shall receive an ongoing royalty of \$2.00 per Subscriber per month whether such Subscriber is being billed for services or not. Jack Craciun, President of the Company is the principal of ITM.

### 8. ACQUISITION OF ASSETS OF ALPHACOM, INC.

On November 14, 2002, the Company acquired the assets in a non-cash transaction of AlphaCom, Inc. a Nevada Corporation. The assets generally consist of physical and intellectual property. The value of the assets is approximately 4.4 million dollars, based on the results of an examination of the seller's audited and unaudited financial statements. The Company believes that this valuation is the current fair market value of the assets. The Company acquired the assets in exchange for 30,320,552 shares of its common stock and a promissory note in the amount of \$4,319,000. For the purposes of this transaction the stock of the Company was valued at \$0.002/share, the company's average market share price for the week immediately preceding the closing of the transaction. The purchase price may be adjusted downward in connection with the issuance common stock to Alphacom if the Company does not secure equity funding and/or licensed revenue in the amount of \$10,000,000 during the next twelve months. The adjustment would be based on a percentage of the amount actually raised to the total agreed upon of \$10,000,000. There is no material relationship between AlphaCom, Inc., and the registrant or any of its affiliates, any director or officer of the registrant, or any associate of any such director or officer. The shares used to accomplish the acquisition were derived from the Company treasury and are deemed to be restricted, illiquid shares pursuant to Rule 144 of Regulation D of the Securities Act.

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## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

### Caution

Certain statements in this Quarterly Report on Form 10-QSB, our audited financial statements for the fiscal year ended December 31, 2001 as filed in our amended annual report on Form 10-KSB/A, as well as statements made by us in periodic press releases, oral statements made by our officials to analysts and shareholders in the course of presentations about ourselves, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance or achievements of us to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Such factors include, among other things, (1) general economic and equity markets; (4) competition; (5) the availability and cost of our products; (6) demographic changes; (7) government regulations particularly those related to automatic vehicle location industry; (8) required accounting changes; (9) equipment failures, power outages, or other events that may interrupt Internet communications; (10) disputes or claims regarding our proprietary rights to our software and intellectual property; and (11) other factors over which we have little or no control.

Background and Organization

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Multi-Tech International, Corp., a developmental stage company, Hereinafter referred to as "the Company", "we" or "us", was originally organized by the filing of Articles of Incorporation with the Secretary of State of the State of Nevada on September 21, 1998 under the name Oleramma, Inc. The Articles of Incorporation authorized the issuance of one hundred fifty million (150,000,000) shares, consisting of one hundred million (100,000,000) shares of Common Stock at par value of \$0.001 per share and five million (5,000,000) shares of Preferred Stock at par value of \$0.001. As of May 19, 2003, we had 40,257,934 shares of Common Stock outstanding, no Preferred Stock issued or outstanding, options to purchase 50,000 shares of Common Stock at \$1.00 per share and options to purchase 50,000 shares of Common Stock at \$1.50 per share.

We were a company that hoped to develop a genetically engineered Pima Cotton seed, with a virus fatal to the bollworm. It was our hope to enter the marketplace as the first genetically engineered Pima cotton, which is genetically superior in combating infestations. Unfortunately we were not able to achieve our original goals and on December 31, 2000 we changed our name to BUCKTV.COM, Inc. pursued and began a new direction. At this time our principal business strategy was to market consumer products through an Interactive Website, and to promote this Website through commercial radio promotions, and Internet search engines, utilizing the talent and skills of a famous radio/television personality. However, this was unsuccessful and we began a search for new opportunities.

On November 15, 2002, pursuant to an Asset Purchase Agreement (the "Agreement") we acquired all the assets of AlphaCom, Inc. ("Alphacom"), setting a new strategic direction for the Company, and changed the name of the Company to Multi-Tech International, Inc. ("Multi-Tech" OTCBB:MLTI) and new management joined the Company. In connection with this acquisition our principal business is now in the field of spectrum technologies for broad based applications worldwide.

### Asset Purchase Agreement

Pursuant to the Agreement we issued a total of 30,320,552 shares of our Common Stock (the "Shares") and a promissory note in the amount of \$4,319,000 payable to Alphacom representing 74.1 percent of our outstanding shares of Common Stock in exchange for all of the assets of Alphacom including all business and technologic developments and licensing and marketing rights to such assets. The Shares are being held in escrow for 12 months pursuant to the terms of the Agreement, and are subject to downward

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adjustment based upon financial contingencies set forth in the Agreement. The acquisition has been accounted for under purchase method accounting. As a condition to the closing we effected a 1-for-14.525 reverse split of our Common Stock in November 2002.

The material provisions of the Agreement include:

Appointment of the following individuals to positions within the Company: John J. Craciun III (President and Chairman of the Board), Dr. David Hostelley (Secretary, Treasurer and member of Board of Directors), Steven Coutoumanos (Chief Executive Officer and member of Board of Directors), David Boon (Chief Operating Officer, Mr. Boon subsequently declined to accept such appointment), Mark P. Wing (member of Board of Directors), and Lawrence Hartman (who declined the Board of Directors position, but continues on as corporate counsel).

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We may allocate 75% of the monies received by us from financing activities or via licensing arrangements to pay the promissory note due AlphaCom.

Until we have received aggregate gross cash proceeds of not less than \$10,000,000 from (i) a direct equity investment or series of investments from an outside third party or third parties, and/or (ii) license fees and/or royalty payments received from the license of the Intellectual Property to third party licensees we cannot have more than 50,000,000 shares issued and outstanding.

Alphacom maintains anti-dilution rights for the number of shares issued to it based upon certain contingencies.

For a period of 12 months following the closing of the transaction, without the prior written consent of a majority of the shareholders of Alphacom, on a fully-diluted basis, we are not permitted to do any of the following (subject to the termination provisions of the Agreement):

- (i) amend any provisions of our Articles of Incorporation or its By Laws;
- (ii) increase our authorized capital stock;
- (iii) create or issue any capital stock except for the issuance of up to 13,179,045 shares of Common Stock;
- (iv) declare any dividend or distribution on any of its capital stock;
- (v) dispose of any Intellectual Property;
- (vi) redeem, purchase or otherwise acquire any of our equity securities;
- (vii) voluntarily file for bankruptcy;
- (viii) incur or assume any debt except the Note, provided that the Note shall not be secured by any asset; or
- (ix) transfer any asset, tangible or intangible, to any subsidiary or make any investment (other than in cash equivalents).

Pursuant to the Agreement we purchased all of the assets of Alphacom. The assets purchased under the Agreement include: certain accounts receivable, Alphacom's URL [www.networkalpha.com](http://www.networkalpha.com); and certain patents (described below).

The transfer of the patents has not yet been properly perfected. Currently, We along with Alphacom are investigating this matter to ensure that All assignments are properly recorded. Alphacom has represented to us that it had valid, binding and legal right to all of the rights, title and interest in the patents.

The patents encompass the following: wireless digital transmission and receiving method combining phase reversal keying with pulse position modulation; improved binary data communication system employing improved VPSK encoding procedure (as more fully discussed below); method for the transmission of "biphase" digital data; communication system transmitting binary data: and high speed data transfer in small amounts of bandwidth.

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The VPSK encoding procedure is a modulation algorithm. When applied to existing data transmission environments, VPSK is able to produce previously unrealized bandwidth efficiencies. For example, Time Division Multiple Access (TDMA), one of the leading standards of digital cellular communications, allows for up to 128 simultaneous conversations per system.

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By utilizing VPSK modulation, a TDMA-VPSK system using the same bandwidth as TDMA will allow for over 4,500 simultaneous conversations, an increase in excess of 35 times. This means that by incorporating this technology, the existing infrastructure deployed by cellular carriers today will be able to support far more revenue-producing subscribers.

Cellular technology is only one of many applications over which VPSK can be deployed. VPSK can be deployed on most communications platforms including both wireless and wireline. Not only will the use of VPSK produce a substantial increase in the revenues of existing markets, the increased data potential creates numerous new markets.

The assets also include: a five percent interest in AlphaCom International Ltd. (ACIL) a company registered in Hong Kong (the remaining ninety five percent is owned by ITM Ltd. (of which our President John J. Craciun is a majority owner)). ACIL, exclusively owns the AlphaCom, master technology license, including Manufacturing and Product Distribution Licenses and all rights to sub-license the same for the following territories: Asia, Eastern Europe - Romania & Bulgaria and South America - Venezuela and adjacent islands; International License for Israel; International License Contract for the European Union Countries; and International License Contract for Asia.

### Plan of Operations

We are focused on developing and promoting spectrum technologies for broad-based applications worldwide based upon the assets acquired from Alphacom. The spectrum technologies product(s) Alphacom has developed provides far more efficient use of bandwidth. Through the use of narrow band frequencies and patented algorithms, these spectrum technologies will use existing infrastructure with efficiencies greater than conventional technologies.

Management believes it solves the power and noise problem through the use of filtration techniques and patented modulation algorithms. The result is a signal that can be carried over greater distances and with less power.

### Concept and Products

We plan to introduce a technology that makes more efficient use of bandwidth. Through the use of narrow band frequencies and patented algorithms, MLTI spectrum technology will travel over existing infrastructure with efficiencies exponentially greater than conventional technologies. It is anticipated that this will be done by a comparably small retrofit to existing wireless and wire-line networks.

The key to this technology is a modulation and filtration technique that enables more data to be carried, over greater distances, and with less power. With a relatively small capital investment, service providers will be able to increase their revenue potential through greater market penetration.

We believe this technology can be carried over virtually any medium, including: Cable TV, Cable Modem, AM/FM Radio, Analog Cellular, Digital Mobile, DSL, IP Wire-line Applications, WiFi (802.11b), or Microwave, Satellite.

### Dependence on Outside Suppliers

We anticipate that we will have a relatively low dependence on outside suppliers or vendors. The primary reason is that the MLTI spectrum technology represents intellectual property, which will be marketed in the form of a license or royalty contract. As such, we anticipate that no proprietary

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hardware will be required in order to generate a revenue stream.

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### Marketing and Advertising

We anticipate building a grass roots awareness campaign across the following channels:

Trade Advertising - three key vertical markets (content provider, service provider, and end-user):

- Awareness campaigns.
- Operations campaigns.

Public Relations:

- Press Releases (announcing technology impact, customer success, product releases and company news).
- Case Studies (associated with customer success).
- Technology White Papers (Engineering inter industry publications, educational institutions, think tanks and symposium presentations).
- Analyst & Editor Interviews.

Direct Mail/Email:

- Awareness Direct Mail to support Advertising.
- Tradeshows Support (Pre & Post show direct mail).
- Teaser Mailers to promote interest.
- Web Seminar notification & follow-up.

Tradeshows:

- Three key vertical markets (content provider, service provider, and end-user).

Collateral:

- Overview Brochure.
- Product Profile - Content Provider.
- Product Profile - Service Provider.
- Product Profile - End User.

Seminars - two online Web Seminar series

1. Introduction to Ultra Narrowband Modulation.
2. Ultra Narrowband Modulation Solutions/Demo.

### Technology Overview

Before voice, data, or video can be transmitted or received, it must be encoded onto a carrier signal that will propagate by means of an electronic wave. This process, called modulation is the science of placing intelligence on a carrier. Using this principle, a data stream is converted to a waveform and a carrier transports the data over a radio frequency, sound wave, or beam of light.

Carrier signals can be fully described by three parameters that can be mixed and matched:

1. Amplitude Modulation - ex. AM stations on a car radio
2. Frequency Modulation - ex. FM stations on a car radio
3. Phase Modulation - ex. Satellite communications

Each of the three modulation techniques listed above possess tradeoffs in terms of power, performance, bandwidth efficiency, etc. Phase Modulation

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generally uses bandwidth more efficiently than other types of modulation. However, the improvement in bandwidth efficiency comes at the cost of decreased power efficiency. The smaller separation between bits of data means it takes less noise to corrupt the signal and cause the receiver to make an error. To combat this, more power must be transmitted.

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### Technology Development

Technology development strategies are targeted to address the needs of telecom and electronic communications bandwidth. Using experience gained from lab trials, the technology can be deployed on existing infrastructure with the following planned results (pending further research and development for each application):

#### Wireline Applications:

##### DSL Service

- Expand the distance from the CO from 3 miles to 10 miles.
- Provide reliable data transmission even with corroded cable.
- Increase data rates over standard phone line from 1.5 to 3.0 MBPS.

##### Cable and Cable Modem

- Effectively doubles the number of channels over standard coax.
- Increases the cable data throughput by approximately 10X.
- Potentially solves the problem of transmitting HDTV signal over coax.

##### Access, Edge, and Core Applications

- Transform T1 lines into the performance equivalent of two T3 lines.
- Increase data throughput of copper ATM, Frame Relay, SS7, etc.
- Improve global telecom network performance and efficiency.

#### Wireless Applications:

##### GSM / TDMA / CDMA / 3G Wireless

- Increase the number of GSM voice users from approximately 240 to over 12,000.
- Increase the number of C/TDMA users from approximately 200 to over 1,200.
- Provide 3G networks multiplexed voice/data/video sessions.
- Lower monthly operating costs for providers.
- Increase data rates from 14,400 BPS to 1,600,000 BPS.
- Double transmit/receive range while reducing voltages by 75%.

##### Analog Wireless

- Increase the number of voice users from approximately 16 to more than 750.
- Increase data rates from 14,400 BPS to 1,600,000 BPS.
- Lower monthly operating costs for providers.
- Double transmit/receive range while reducing voltages by 75%.

##### Microwave

- Enhance a single microwave channel to provide more than 150 T1 lines.
- Create a path for dramatically less expensive PSTN or Internet back-haul.

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Reduce the cost of cellular voice and data traffic.

### Target Market

We will initially focus on commercializing our territories through the joint venture and licensing agreements which were obtained pursuant to the Agreement with Alphacom, while developing support technology to simplify the implementation of our systems in a variety of applications. Commercialization will be managed through licenses and strategic partnerships within each of the targeted markets.

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The target audience will initially consist of two key groups: service/content providers and end users. The messaging for each will be significantly different:

#### Service/Content Providers:

Service and content providers are seeking more sophisticated delivery capabilities in the commercial market. Providers desperately need communication networks that will integrate voice, data, and video services over virtually any wire-line or wireless infrastructure at an affordable price.

#### End Users:

Users that have already gravitated to existing broadband technology Have learned to live with some of the downsides. The downsides have included: difficulties in setting up initial connectivity, high monthly costs, limitations due to local infrastructure (DSL), and limited responsiveness during peak usage (Cable). In addition, content delivery is severely limited to cellular users.

### Competition

Competition in the bandwidth communications and/or telecommunications market segment is extensive. We must take careful measures to ensure that the intellectual property represented by our spectrum technology is protected. In addition, competing bandwidth technologies may circumvent any sustainable competitive advantage and prevent long-term broad acceptance for the spectrum technology.

The markets for consumer and business Internet services and online content are extremely competitive and highly fragmented. There are no significant barriers to market entry. We expect that competition will intensify in the future. Our direct competition in these markets are ISPs, national long distance carriers, wireless service providers, OSP's, cable-based data services and Internet content aggregators. Many of these competitors are offering (or may soon offer) technologies that will attempt to compete with some or all of our products and services. Such technologies include ISDN and XDSL. The basis of competition in these markets include transmission speed, reliability of service, ease of access, price/performance, ease-of-use, content quality, quality of presentation, timeliness of content, customer support, operating experience and revenue sharing.

Many of our competitors and potential competitors have substantially larger subscriber bases, longer operating histories, greater name recognition, and more established relationships with application providers than us. Such competitors may be able to undertake more extensive marketing campaigns, adopt more aggressive pricing policies and devote substantially more resources to developing Internet services than us. There are no assurances that we will be



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able to compete successfully against current or future competitors. Competitive pressures may materially adversely affect our business, operating results, or financial condition. Further, as a strategic response to changes in the competitive environment, we may make certain pricing, service or marketing decisions or enter into acquisitions or new ventures that could have a materially adverse effect on our business, operating results or financial condition.

### Government Regulation

The adoption of new laws or the application of existing laws may decrease the growth of spectrum technologies, which could in turn decrease the demand for our services, increase our cost of doing business or otherwise have a material adverse effect on our business, results of operations and financial condition.

There can be no assurance, however, that Federal, State or local government will not attempt to impose regulations upon us in the future or that such imposition will not have a material adverse effect on our business, results of operations and financial condition.

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### Federal

We will provide Internet services, in part, through data transmissions over public telephone lines. These transmissions are governed by regulatory policies establishing charges and terms for wire line communications. We currently are not subject to direct regulation by the FCC or other regulatory agencies as a provider of basic telecommunication services.

The FCC regulates the licensing, construction, operation and acquisition of wireless telecommunications systems in the U.S. pursuant to the 1934 Act, as amended, and the rules, regulations, and policies promulgated by the FCC thereunder. Included in the regulations is the use of the electromagnetic spectrum in the United States, including the frequency band currently used by our radio products. Part 15 of the FCC regulation defines frequency bands in which unlicensed operation of the radio equipment that meets certain technical and operational requirements is permitted. We will utilize CDPD for the majority of our wireless transmissions, which is currently under FCC regulations.

In the international markets there are various categories of government regulations. In those countries that have accepted certain worldwide standards, such as the FCC rulings or those from the European Telecommunications Standards Institute, we are not expecting to experience significant regulatory issues in bringing our products to market. Approval in these markets involves retaining local testing agencies to verify specific product compliance. However, many developing countries, including India and China, have not fully developed or have no frequency allocation, equipment certification, or telecommunications regulatory standards. In these types of markets, we will actively work directly with industry standard bodies to conform to worldwide standards regulations.

### State and Local Regulation

The scope of the regulatory authority covers such matters as the terms and conditions of interconnection between Local Exchange Carriers ("LECs") and wireless carriers with respect to intrastate services, customer billing information and practices, billing disputes, other consumer protection

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matters, facilities construction issues, transfers of control, the bundling of services and equipment and requirements relating to the availability of capacity on a wholesale basis. In these areas particularly, the terms and conditions of interconnection between LECs and wireless providers, the FCC and state regulatory authorities share regulatory responsibilities with respect to interstate and intrastate issues, respectively.

We may become an active participant in proceedings before the FCC and before state regulatory authorities. Proceedings with respect to the foregoing policy issues before the FCC and state regulatory authorities could have significant impacts on the competitive market structure among wireless providers and other carriers. We are unable at this point to predict the scope, pace, or financial impact of policy changes which could be adopted in these proceedings. To keep us apprised of developments in this area, we will retain special FCC counsel in the event we deem it necessary.

### Industry Conditions and Cyclical Nature

The communications and/or telecommunications industry is an inherently volatile market segment. Technologies that dominate a market over a particular period can be made obsolete by newer technologies from competing companies in a relatively short timeframe. We are attempting to mitigate this risk by providing open standards and licensing/royalty arrangements, which can create a new industry standard for bandwidth spectrum.

### Lack of Liability Coverage

We do not maintain any liability coverage. In the event of any claim against us or any of our assets we may not have the resources to defend the Company which could have a material adverse effect on the future prospects.

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### Pursuit of Strategic Acquisitions and Alliances

We believe there are numerous opportunities to acquire other businesses with established bases, compatible operations, experience with additional synergistic aspects, and experienced management. We believe, that these acquisitions, if successful, will result in mutually beneficial opportunities, and could lead to an increase in our revenue and income growth. We intend to seek opportunities to acquire businesses, services and/or technologies that we believe will complement our business operations. We plan to seek opportunistic acquisitions that may provide complementary services, expertise or access to certain markets. No specific acquisition candidates have been identified, and no assurance can be given that any transactions will be effected, or if effected, will be successful.

In addition, we may execute strategic alliances with partners who have established operations. As part of these joint venture agreements, we may make investments in or purchase a part ownership in these joint ventures. We believe that joint venture relationships, if successful, will result in synergistic opportunities, allowing us to gain additional insight, expertise and penetration in markets where joint venture partners already operate, and may increase our revenue and income growth. No specific joint venture agreements have been signed, and no assurance can be given that any agreements will be effected, or if effected, will be successful.

At present, the Company is utilizing the resources of its major

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shareholders and directors to fund operations. Nominal funds have been received from miscellaneous revenue during the three months ended March 31, 2003 of \$4,477. We are unable to forecast revenues until we prove the commercial viability of the technology, which we anticipate will occur during the fourth quarter of 2003.

The Company has not achieved revenues or profitability to date, and the Company anticipates that it will continue to incur net losses for the foreseeable future. The extent of these losses will depend, in part, on the amount of growth in the Company's revenues from licensing of its technology. As of March 31, 2003, the Company had an accumulated deficit of Ten Million Eight Hundred and Five Thousand One Hundred and Eighty-Six (\$10,805,186) dollars. The Company expects that its operating expenses will increase significantly during the next several months, especially in the areas of engineering development and sales and marketing. Thus, the Company will need to generate increased revenues to achieve profitability. To the extent that increases in its operating expenses precede or are not subsequently followed by commensurate increases in revenues, or that the Company is unable to adjust operating expense levels accordingly, the Company's business, results of operations and financial condition would be materially and adversely affected. There can be no assurances that the Company can achieve or sustain profitability or that the Company's operating losses will not increase in the future.

### LIQUIDITY AND CAPITAL RESOURCES

The Company's capital requirements have historically consisted of funding operations and capital expenditures through the sale of common stock and the exchange of common stock for services. The Company has no significant revenue from operations.

Net cash used in operating activities for the three months ended March 31, 2003 was \$2,841 compared with cash provided from operating activities for the year ended December 31, 2002 of \$234,623 which included a gain on settlement of debt of \$ 300,000.

The Company's working capital deficiency is currently \$4,211,054 compared with \$4,240,328 at the year end. The greatest portion of the deficiency relates to a note payable in connection with the asset purchase, which may be reduced if certain conditions relating to the asset purchase as described above.

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The ability of the Company to meet its business objectives as described above depend upon the Company raising the required capital. The Company is exploring a number of funding opportunities at the moment. Discussions have been on a verbal basis only to date.

Except for the note payable in connection with the asset purchase, the Company has no material commitments for capital expenditures nor does it foresee the need for such expenditures over the next year.

### ITEM 3. CONTROLS AND PROCEDURES

Within 90 days prior to the date of this report under the supervision and participation of certain members of the Company's management, including the President and the Principal Financial Officer, the Company completed an evaluation of the effectiveness of the design and operation of its disclosure

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controls and procedures (as defined in Rules 13a - 14 and 15d - 14c to the Securities Exchange Act of 1934, as amended). Based on this evaluation, the Company's President and Principal Financial Officer believe that the disclosure controls and procedures are effective with respect to timely communicating to them and other members of management responsible for preparing periodic reports all material information required to be disclosed in this report as it relates to the Company.

### PART II OTHER INFORMATION

#### ITEM 1. Legal Proceedings

Not Applicable.

#### ITEM 2. Changes in Securities and Use of Proceeds

Not Applicable.

#### ITEM 3. Defaults upon Senior Securities

Not Applicable.

#### ITEM 4. Submission of Matters to a Vote of Security Holders

Not Applicable.

#### ITEM 5. Other Information

Not Applicable.

#### ITEM 6. Exhibits and Reports on Form 8-K

- (a) 99.1 Certification by Jack Craciun, III, President, Chairman of the Board, pursuant to Section 18 U. S. C. Section 1350, 906 of the Sarbanes-Oxley Act of 2002.
- 99.2 Certification by Dr. David F. Hostelley, Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- (b) Reports on Form 8-K.  
Form 8-K filed January 8, 2003 reporting Items 2 and 6.

### SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 19, 2003

Multi-Tech International, Corp.

By: /s/ John J. Craciun, III

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John J. Craciun, III  
President, Chairman of the  
Board

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Date: May 19, 2003

By: /s/ Dr. David F. Hostelley  
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Dr. David F. Hostelley  
Principal Financial Officer

Twenty Six

May 15, 2003

CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)

I, John J. Craciun III, certify that;

1. I have reviewed this quarterly report on Form 10-QSB of Multi-Tech International Corp.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - a) designed such disclosure controls and procedure to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process,

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summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ John J. Craciun III

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John J. Craciun III  
Chairman of the Board and President

May 15, 2003

CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)

I, Dr. David F. Hostelley, certify that;

1. I have reviewed this quarterly report on Form 10-QSB of Multi-Tech International Corp.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - a) designed such disclosure controls and procedure to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

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- b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Dr. David F. Hostelley

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Dr. David F. Hostelley  
Principal Financial Officer