UNITED STATES ANTIMONY CORP
Form 10QSB
November 19, 2002

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

FORM 10-QSB

(Mark One)

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2002

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

Commission file number 33-00215

UNITED STATES ANTIMONY CORPORATION

(Name of small business issuer in its charter)

MONTANA	81-0305822
(State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)

P.O. BOX 643, THOMPSON FALLS, MONTANA	59873
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: (406) 827-3523

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
YES X No --

At November 14, 2002, the registrant had outstanding 27,027,959 shares of par value $0.01 common stock.

UNITED STATES ANTIMONY CORPORATION
QUARTERLY REPORT ON FORM 10-QSB
FOR THE QUARTERLY PERIOD
ENDED SEPTEMBER 30, 2002

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PART I-FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	(UNAUDITED) SEPTEMBER 30, 2002	D
ASSETS		
Current assets:		
Restricted cash	$ 100,827	$
Accounts receivable, less allowance for doubtful accounts of $30,000	135,789	
Inventories	99,950	
Total current assets	336,566	
Investment in USAMSA, net	77,703	
Properties, plants and equipment, net	518,978	
Restricted cash for reclamation bonds	84,209	
Total assets	$ 1,017,456	$
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Checks issued and payable	$ 80,519	$
Accounts payable	726,442	
Accrued payroll and property taxes	263,622	
Accrued payroll	25,940	
Other current liabilities	55,166	
Judgment payable	49,073	
Accrued interest payable	14,640	
Payable to related parties	177,961	
Notes payable to bank, current	220,448	
Stock subscription payable	10,000	
Accrued reclamation costs, current	93,984	
Total current liabilities	1,717,795	1,
Notes payable to bank, noncurrent	361,811	
Accrued reclamation costs, noncurrent	87,524	
Total liabilities	2,167,130	1,
Commitments and contingencies (Note 3)		
Stockholders' deficit:		
Preferred stock, $.01 par value, 10,000,000 shares authorized:		
Series A: 4,500 shares issued and outstanding	45	
Series B: 750,000 shares issued and outstanding	7,500	
Series C: 177,904 shares issued and outstanding	1,779	
Series D: 96,000 shares issued and outstanding		
Common stock, $.01 par value, 30,000,000 shares authorized; 27,027,959 issued and outstanding at September 30, 2002 and 26,156,959 shares issued and outstanding at December 31, 2001	270,279	
Additional paid-in capital	16,962,969	16,
Accumulated deficit	(18,392,246)	(18,
Total stockholders' deficit	(1,149,674)	(1,

Total liabilities and stockholders' deficit.	$ 1,017,456	$

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

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UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	FOR THE THREE MONTHS ENDED		FOR THE NINE MONTHS	
	SEPTEMBER 30, 2002	SEPTEMBER 30, 2001	SEPTEMBER 30, 2002	SEPTE 2
Revenues:				
Sales of antimony products and other	$ 863,625	$ 778,533	$ 2,489,997	$ 2,816
Sales of zeolite products	44,740	4,080	150,647	6
	908,365	782,613	2,640,644	2,823
Cost of production-antimony	666,906	573,661	1,960,120	2,197
Cost of production-zeolite	56,207		168,909	
Freight and delivery	84,546	85,517	278,688	308
	807,659	659,178	2,407,717	2,505
Gross profit	100,706	123,435	232,927	317
Other operating expenses:				
Bear River Zeolite	38,202	87,915	150,883	253
Care, maintenance, and reclamation-Yellow Jacket		1,813		4
General and administrative	89,248	153,768	254,666	484
Sales expenses	17,801	33,367	62,199	106
	145,251	276,863	467,748	848
Other (income) expense:				
Interest expense	20,234	37,999	57,607	119
Factoring expense	27,217	24,312	72,544	71
Interest income and other	(1,663)	(1,267)	(3,113)	(4
Sale of Bear River Zeolite royalty	(50,000)		(200,000)	
	(4,212)	61,044	(72,962)	18
Net loss	$ (40,333)	$ (214,472)	$ (161,859)	$ (717
Basic net loss per share of common stock.	$ Nil	$ (0.01)	$ (0.01)	$ (
Basic weighted average shares outstanding	27,027,959	19,259,510	26,865,026	18,827

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

UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002	SEPTEMBER 30, 2001
Cash flows from operating activities:		
Net income (loss).	$(161,859)	$(717,861)
Adjustments to reconcile net income (loss) to		
net cash used by operations:		
Depreciation and amortization.	67,322	132,696
Accrued reclamation costs.	.	7,500
Series D stock issued for services	8,000	
Change in:		
Restricted cash.	(97,025)	(2,706)
Accounts receivable.	(30,705)	44,494
Inventories.	26,125	88,048
Restricted cash for reclamation bonds.	3,341	20,700
Accounts payable	101,854	181,908
Accrued payroll and property taxes	7,302	(48,686)
Accrued payroll and other liabilities.	(1,684)	66,410
Judgment payable	2,550	2,283
Accrued debenture interest payable		76,725
Payable to related parties		(20,118)
Accrued reclamation costs.	(43,656)	(49,163)
Net cash used by operating activities.	(118,435)	(217,770)
Cash flows from investing activities:		
Purchase of properties, plants and equipment	(260,895)	(107,592)
Net cash used in investing activities.	(260,895)	(107,592)
Cash flows from financing activities:		
Proceeds from issuance of common stock and warrants. . .	172,070	188,300
Proceeds from stock subscription	10,000	
Payments on notes payable to bank.	(274,017)	
Proceeds from related party advances	56,879	94,895
Proceeds from notes payable to bank, net	395,000	81,757
Change in checks issued and payable.	19,398	(39,590)
Net cash provided by financing activities. . . .	379,330	325,362
Net change in cash	0	0
Cash, beginning of period.	0	0
Cash, end of period.	$ 0	$ 0

Supplemental disclosures:		
Cash paid during the period for interest	$ 45,765	$ 25,809
Non-cash investing activities:		
Common stock and warrants issued for plant construction.		$ 2,500

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

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PART I - FINANCIAL INFORMATION, CONTINUED:

UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION:

The unaudited consolidated financial statements have been prepared by United States Antimony Corporation ("USAC" or "the Company") in accordance with accounting principles generally accepted in the United States of America for interim financial information, as well as the instructions to Form 10-QSB. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of the Company's management, all adjustments (consisting of only normal recurring accruals) considered necessary for a fair presentation of the interim financial statements have been included. Operating results for the nine-month period ended September 30, 2002 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2002. Certain consolidated financial statement amounts for the three and nine-month periods ended September 30, 2001, have been reclassified to conform to the 2002 presentation. These reclassifications had no effect on the net loss or accumulated deficit as previously reported.

For further information refer to the financial statements and footnotes thereto in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2001.

2. LOSS PER COMMON SHARE

The Company accounts for its income (loss) per common share according to the Statement of Financial Accounting Standards No. 128 "Earnings Per Share" ("SFAS No. 128"). Under the provisions of SFAS No. 128, primary and fully diluted earnings per share are replaced with basic and diluted earnings per share. Basic earnings per share is arrived at by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding, and does not include the impact of any potentially dilutive common stock equivalents. Common stock equivalents, including warrants to purchase the Company's common stock and common stock issuable upon the conversion of debentures are excluded from the calculations when their effect is antidilutive.

3. COMMITMENTS AND CONTINGENCIES:

Until 1989, the Company mined, milled and leached gold and silver in the Yankee

Fork Mining District in Custer County, Idaho. In 1994, the U.S. Forest Service, under the provisions of the Comprehensive Environmental Response Liability Act of 1980 ("CERCLA"), designated the cyanide leach plant as a contaminated site requiring cleanup of the cyanide solution. The Company has been reclaiming the property and, as of December 31, 2001, the cyanide solution cleanup was complete, the mill removed, and a majority of the cyanide leach residue disposed of. In 1996, the Idaho Department of Environmental Quality requested that the Company sign a consent decree related to completing the reclamation and remediation at the Preachers Cove mill, which the Company signed in December 1996.

In November of 2001, the Environmental Protection Agency ("EPA") listed two by-products of the Company's antimony oxide manufacturing process as hazardous wastes. Antimony slag and antimony bag house filters are now subject to comprehensive management and treatment standards under subtitle C of the Resource Conservation and Recovery Act ("RCRA"), and emergency notification requirements for releases to the environment under CERCLA. During 2001, the Company adjusted its reclamation accrual at its antimony processing site based on an estimate of costs associated with disposing the Company's current antimony slag inventory according to EPA universal treatment standards. While it is reasonably probable that additional future costs will result from the EPA's listings, the additional costs are not estimable at December 31, 2001 and September 30, 2002, and accordingly have not been accrued for.

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UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED), CONTINUED:

3. COMMITMENTS AND CONTINGENCIES, CONTINUED:

The Company's management believes that USAC is currently in substantial compliance with environmental regulatory requirements and that its accrued environmental reclamation costs are representative of management's estimate of costs required to fulfill its reclamation obligations. Such costs are accrued at the time the expenditure becomes probable and the costs can reasonably be estimated. The Company recognizes, however, that in some cases future environmental expenditures cannot be reliably determined due to the uncertainty of specific remediation methods, conflicts between regulating agencies relating to remediation methods and environmental law interpretations, and changes in environmental laws and regulations. Any changes to the Company's reclamation plans as a result of these factors could have an adverse affect on the Company's operations. The range of possible losses in excess of the amounts accrued cannot be reasonably estimated at this time.

During 2001, the Company issued a number of shares in transactions that may not qualify for exemption from the Securities Act registration requirements and may be in violation of Section 5 of the Securities Act of 1933. As a result the Company may be subject to liabilities associated with the rescission rights of the purchasers of these shares and fines and penalties from securities regulators. At September 30, 2002 and December 31, 2001, the Company had not recorded any liability associated with the issuance of these shares, as management believes the likelihood of a claim, and the ultimate economic outcome if a claim is asserted, cannot be ascertained at this time.

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

General

This report contains both historical and prospective statements concerning the Company and its operations. Prospective statements (known as "forward-looking statements") may or may not prove true with the passage of time because of future risks and uncertainties. The Company cannot predict what factors might cause actual results to differ materially from those indicated by prospective statements.

Results of Operations

For the three-month period ended September 30, 2002 compared to the three-month period ended September 30, 2001

On August 23, 2002, BRZ sold a production royalty to Delaware Royalty Corporation ("Delaware"), a company controlled by Al Dugan, a major shareholder that may be regarded as an affiliate. The sale granted Delaware a 1% royalty on all zeolite ore extracted and sold from BRZ's Webster Farm zeolite property. As consideration for the royalty the Company received $50,000. The royalty is due at the end of each quarter and is calculated on the gross sales proceeds from zeolite shipped and sold during the preceding quarter. Mr. Dugan purchased a 2% royalty on all zeolite ore extracted and sold from the Company for $150,000 during the second quarter of 2002.

The Company's operations resulted in net loss of $40,333 for the three-month period ended September 30, 2002, compared with a net loss of $214,472 for the three-month period ended September 30, 2001. The decrease in net loss during the third quarter of 2002 compared to the net loss during the similar quarter of 2001 is primarily due to the sale of a royalty in the Company's zeolite operations, decreased general and administrative expenses during the third quarter of 2002, and an increase in antimony sales of $85,092.

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

Total revenues from antimony product sales for the third quarter of 2002 were $832,625 compared with $778,533 during the comparable quarter of 2001, an increase of $54,092. During the three-month period ended September 30, 2002, 38.92%, of the Company's revenues from antimony product sales were from sales to one customer and 12.56% were from sales to a second individual customer. Sales of antimony products during the third quarter of 2002 consisted of 1,062,413 pounds at an average sale price of $0.81 per pound. During the third quarter of 2001 sales of antimony products consisted of 904,048 pounds at an average sale price of $0.86 per pound.

Sales of zeolite products during the third quarter of 2002 were $44,740 compared to sales of $4,080 during the third quarter of 2001, an increase of $40,660 or almost 1000%. Gross profit from antimony and zeolite sales during the third three-month period of 2002 was $100,706 compared with gross profit of $123,435 during the third three-month period of 2001.

During the third quarter of 2002, the Company incurred expenses totaling $38,202 associated with sales, plant expansion and diversification and general and administrative expenses of its wholly owned subsidiary, Bear River Zeolite, compared to $87,915 of expenses in the comparable quarter of 2001.

General and administrative expenses were $89,248 during the third quarter of 2002, compared to $153,768 during the third quarter of 2001. The decrease in general and administrative expenses during the third quarter of 2002 compared to the same quarter of 2001 was partially due to the absence of legal and accounting expenses associated with the preparation of a registration statement during the third quarter of 2001.

During the third quarter the Company issued 96,000 shares of its Series D convertible stock to the Company's directors and its attorney for services rendered. In connection with the issuance, the Company recorded $8,000 in expense based on the fair value of the services rendered.

Sales expenses were $17,801 during the third quarter of 2002 compared with $33,367 in the third quarter of 2001, the decrease was principally due to the allocation of a portion of USAC's sales and labor costs to BRZ.

Interest expense was $20,234 during the third quarter of 2002, compared to interest expense of $37,999 incurred during the third quarter of 2001; the decrease in interest expense was due to the conversion of outstanding debentures during the fourth quarter of 2001.

Accounts receivable factoring expense was $27,217 during the third quarter of 2002 compared to $24,312 of factoring expense incurred during the third quarter of 2001. The increase was primarily due to an increase in accounts receivable factored during the third quarter of 2002 compared to 2001.

Interest income increased from $1,267 during the third quarter of 2001 to $1,663 during the third quarter of 2002. The increase was due to a corresponding decrease in interest bearing reclamation bonds.

For the nine-month period ended September 30, 2002 compared to the nine-month period ended September 30, 2001

The Company's operations resulted in a net loss of $161,859 for the nine-month period ended September 30, 2002, compared with a net loss of $717,861 for the nine-month period ended September 30, 2001. The decrease in net loss from the first nine months of 2001 compared to the first nine months of 2002 is primarily due to decreased general and administrative expenses during 2002, the sale of a royalty in the Company's zeolite operations, and decreased interest expense.

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

Total revenues from antimony product sales for the first nine months of 2002 were $2,458,997 compared with $2,816,573 for the comparable period of 2001, a decrease of $357,576. During the nine-month period ended September 30, 2002, 38.53% of the Company's revenues from antimony products sales were from sales to one customer and 8.76% were from sales to a second individual customer. Sales of antimony products during the first nine months of 2002 consisted of 2,992,407 pounds at an average sale price of $0.83 per pound. During the first nine months of 2001 sales of antimony products consisted of 3,033,482 pounds at an average sale price of $0.93 per pound. The decrease in sale prices of antimony products from the first nine months of 2001 to the first nine months of 2002 is the result of a corresponding decrease in antimony metal prices and accounted for decreased gross profits for 2002.

Sales of zeolite products during the first nine months of 2002 were $150,647 compared to sales of $6,735 during the comparable period of 2001 an increase of $143,912 or 2100%. Gross profit from antimony and zeolite sales during the first nine-month period of 2002 was $232,927 compared with gross profit of

$317,826 during the same nine-month period of 2001. The fall in gross profits during 2002 was due to a $0.10 per pound reduction in sales price.

During the first nine months of 2002, the Company incurred expenses totaling $150,883 associated with sales, plant expansion and diversification and general and administrative expenses of its wholly owned subsidiary, Bear River Zeolite, compared to $253,583 of expenses during the comparable period of 2001.

General and administrative expenses were $254,666 during the first nine months of 2002, compared to $484,376 during the first nine months of 2001. The decrease in general and administrative expenses during the first nine months of 2002 compared to the same period of 2001 was partially due to decreased legal and accounting expenses associated with the preparation of a registration statement during 2001 and the allocation of a portion of USAC's general and administrative costs to BRZ.

Sales expenses were $62,199 during the first nine months of 2002 compared with $106,205 in the first nine months of 2001, the decrease was principally due to the allocation of a portion of the Company's sales costs to BRZ.

Interest expense was $57,607 during the first nine months of 2002, compared to interest expense of $119,599 incurred during the first nine months of 2001; the decrease in interest expense was due to the conversion of outstanding debentures during the fourth quarter of 2001.

Accounts receivable factoring expense was $72,544 during the first nine months of 2002 and was comparable to $71,487 of factoring expense incurred during the first nine months of 2001.

Interest income decreased from $4,236 during the first nine months of 2001 to $3,113 during the first nine months of 2002. The decrease was due to a corresponding decrease in interest bearing reclamation bonds.

Financial Condition and Liquidity

At September 30, 2002, Company assets totaled $1,017,456, and there was a stockholders' deficit of $1,149,674. The stockholders' deficit decreased $18,210 from December 31, 2001, primarily due to sales of restricted common stock during the first two quarters of 2002. At September 30, 2002, the Company's total current liabilities exceeded its total current assets by $1,381,229. Due to the Company's operating losses, negative working capital, and stockholders' deficit, the Company's independent accountants included a paragraph in the Company's 2001 financial statements relating to a going concern uncertainty. To continue as a going concern the Company must generate profits from its antimony and zeolite sales and acquire additional capital resources from alternative financing resources. Without financing and profitable operations, the Company may not be able to meet its obligations, fund operations and continue in existence.

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

While management is optimistic that the Company will be able to sustain its operations and meet its financial obligations, there can be no assurance of such.

Cash used by operating activities during the first nine months of 2002 was $118,435, and resulted primarily from the nine-month net loss of $161,859.

Cash used in investing activities during the first nine months of 2002 was $260,895 and was almost entirely related to the construction of capital assets at the Bear River Zeolite facility.

Cash provided by financing activities was $379,330 during the first nine months of 2002, and was principally generated by sales of 871,000 shares of unregistered common stock for $172,070 and additional notes payable to bank. During the third quarter of 2002 the Company had stock subscriptions payable relating to sales of 50,000 shares of restricted common stock at $0.20, issuable when and if the Company had authorized shares to issue. At September 30, 2002, the Company had no unencumbered authorized common stock available for sale or issue.

ITEM 3. CONTROLS AND PROCEDURES

Based on their most recent evaluation, which was completed within 90 days of the filing of this Form 10-QSB, the Company's president believes the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) are effective to ensure that information required to be disclosed by the Company in this report is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. There were no significant changes in the Company's internal controls or other factors that could significantly affect these controls subsequent to the date of their evaluation and there were no corrective actions with regard to significant deficiencies and material weaknesses.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 2. CHANGES IN SECURITIES

Neither the constituent instruments defining the rights of the registrant's securities filers nor the rights evidenced by the registrant's outstanding common stock have been modified, limited or qualified. The Company sold 871,000 shares of its common stock for a total of $172,070, during the first nine months of 2002 pursuant to exemptions from registration under Section 4(2) of the Securities Act of 1933 as amended.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

The registrant has no outstanding senior securities.

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

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Exhibits

10.47 Bear River Zeolite Company Royalty Agreement, dated May 29, 2002
10.48 Grant of Production Royalty, dated June 1, 2002
10.49 Assignment of Common Stock of Bear River Zeolite Company, dated May 29, 2002
10.50 Agreement to Issue Warrants of USA, dated May 29, 2002

Reports on Form 8-K

3.4 Articles of Amendment to the Articles of Incorporation of United States Antimony Corporation

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SIGNATURE

Pursuant to the requirements of Section 13 or 15(b) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNITED STATES ANTIMONY CORPORATION
(Registrant)

By:/s/ John C. Lawrence Date: November 19, 2002

John C. Lawrence, Director and President
(Principal Executive, Financial and Accounting Officer)

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CERTIFICATIONS

I, John C. Lawrence certify that:

1. I have reviewed this report on Form 10-QSB of United States Antimony Corporation

2. Based on my knowledge, this 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 report.

3. Based on my knowledge the financial statements, and other financial information included in this 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 report.

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) Designed such disclosure controls and procedures 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, or 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. I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functioning):

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. I have indicated in this quarterly report whether or not 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.

Date: November 19, 2002

/s/ John C. Lawrence

John C. Lawrence
President, Director, and Principal Financial Officer