

Edgar Filing: YSEEK INC - Form 10KSB

YSEEK INC
Form 10KSB
March 28, 2003

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

FORM 10-KSB

(Mark One)

Annual report under section 13 or 15 (D) of
the Securities Exchange Act of 1934
for the fiscal year ended December 31, 2002

Transition report under section 13 or
15 (d) of the Securities Exchange Act of
1934 for the transition period from _____ to _____

YSEEK, INC.

(Name of small business issuer in its charter)

Florida 65-0783722
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification Number)

7732 N. Mobley Drive
Odessa, Florida 33556
(Address of principal executive offices) (Zip Code)

Issuer's telephone number, including area code: (813) 926-3298

Securities registered under Section 12(b) of the Exchange Act:

None

Name of exchange on which registered

OTC Bulletin Board

Securities registered under Section 12(g) of the Exchange Act:

Common stock, \$.0001 par value

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 ___

Check if there is no disclosure of delinquent filers in response to Item
405 of Regulation S-B contained in this form, and no disclosure will be
contained, to the best of registrant's knowledge, in definitive proxy or
information statements incorporated by reference in Part III of this Form 10-KSB
or any amendment to this Form 10-KSB.

The issuer's revenue for the most recent fiscal year ending December 31,
2002, was \$-0-.

The aggregate market value of the voting common equity held by
non-affiliates computed by reference to the price at which the common equity was
sold, or the average bid and asked price of such common equity, as of March 19,
2002, was approximately \$695,070.

The number of shares of the Company's common stock, par value \$.0001 per

Edgar Filing: YSEEK INC - Form 10KSB

share, outstanding as of March 19, 2002, was 36,011,765.

Transitional Small Business Disclosure Format (Check One) Yes No

Part I

Item 1. Description of Business

The Company

Yseek, Inc. is a Florida Corporation formed on September 23, 1997 ("Yseek"). The Company has been engaged in the business of operating an Internet search portal WWW.Yseek.com. The Company had no income in 2002.

The Company was originally formed to develop, own and operate a chain of full-service car washes and express oil change centers. The Company is a successor to Steele Holdings, Inc., a Florida Corporation formed on August 13, 1997. Rachel Steele was the sole shareholder of and President of Steele Holdings. On January 20, 1998, the Company and Steele Holdings, Inc., were reorganized with all the assets of Steele Holdings being transferred into the Company. All 6,000 authorized shares of common stock were exchanged on a one to one thousand basis for shares in the Company. After the reorganization, all stock in the Company was owned by the Company's president, Rachel Steele. Steele Holdings has conducted no other business, held no other assets and was dissolved on October 16, 1998. On October 22, 1999, the Company changed its name to SwiftyNet.com, Inc. On January 29, 2001, the Company changed its name to Yseek, Inc.

The Company constructed an oil change center in Palm Harbor, Florida on real property owned by the Company (the "Center"). The approximately one (1) acre site was purchased from Champion Hills by the Company's predecessor for \$312,500. The first Center was opened on January 18, 1999. The Center was sold on April 19, 2000, for a cash sales price of \$1,000,000. The sales price was determined through arms-length negotiations. The car wash was purchased by In and Out Express Lube, Inc. There were no material relationships between the purchaser and the Company or its affiliates, or any officer or director, or any associate of such officer or director.

In November 2000, the Company entered into a non-exclusive 10-year license for web-based Internet search software with Norman J. Jester, III, for a total consideration of 1,665,000 restricted shares of common stock. In January 2001, the Company used the software to begin operating the Yseek.com web site. Yseek.com provides a free search engine and links by category to other World Wide Web sites at [www.yseek.com]

The stock issued under the traffic promotion agreements was returned in September 2002. New management elected in September 2002 has decided not to pursue an Internet related business and therefore recognized an impairment loss for the unamortized value of the search engine in the fourth quarter of 2002. Management will attempt to sell the remaining term of the license however there is no ready market and the ultimate proceeds, if any, cannot be determined.

The Company's plans include acquiring profitable business ventures. On February 1, 2003, the Company entered into a consulting agreement with an individual to investigate the ultrasound fetal imaging business for a period of ninety days. Based on the consultant's recommendations, the Company presently intends to acquire or develop ultrasound facilities. In exchange for these services, the consultant will receive \$10,000 and 1,000,000 common shares. The Company is currently actively exploring several possible acquisitions however there are no

Edgar Filing: YSEEK INC - Form 10KSB

pending letters of intent or active negotiations.

Item 2. Description of Property

None.

Item 3. Legal Proceedings

The Company is not a party to any pending legal proceedings.

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

There were no matters submitted to a vote of the Company's security holders during the 2001 year. The Company's name change to Yseek, Inc. was approved by a majority of the Company's outstanding shares without a meeting.

Part II

Item 5. Market for Common Equity and Related Stockholder Matters

The Company's common stock are traded on the Over-the-Counter Bulletin Board. The high and low sales prices for each quarter since then are as follows:

	Common Stock	
	High	Low
1st quarter 2000	\$4.00	\$1.563
2nd quarter 2000	\$3.5633	\$1.500
3rd quarter 2000	\$1.844	\$0.875
4th quarter 2000	\$1.375	\$0.344
1st quarter 2001	\$0.719	\$0.72
2nd quarter 2001	\$0.38	\$0.188
3rd quarter 2001	\$0.34	\$0.08
4th quarter 2001	\$0.23	\$0.06
1st quarter 2002	\$0.0453	\$0.0416
2nd quarter 2002	\$0.0201	\$0.0195
3rd quarter 2002	\$0.0170	\$0.0164
4th quarter 2002	\$0.0139	\$0.0134

The approximate number of holders of record of common stock is 110. No dividends have been declared to date. The future dividend policy will depend upon the Company's earnings, capital requirements, financial condition and other factors considered relevant by the Company's Board of Directors.

Recent Sales of the Company's Securities.

During 2002, the Company sold 9,216,665 shares of common stock for cash of \$138,730.

In 2000, the Company issued 5,720,000 shares of common stock under two traffic promotion agreements, with two companies related to then officers or directors of Yseek. These agreements expired one year later. The Company recognized an expense of \$1,287,000 related to these agreements. In September 2002, the two companies returned the entire 5,720,000 common shares. Yseek and the companies executed mutual releases from any future claims, losses or rights. The shares received by the Company were recorded at cost, which was zero.

On October 1, 2002, the Company issued 9,000,000 shares of common stock under

Edgar Filing: YSEEK INC - Form 10KSB

one-year employment agreements with two officers of the Company. The Company recognized an expense of \$90,000 related to these agreements, which represents the market value of the shares less a discount because the shares are unregistered and are not easily marketable.

From September 9, 2002 to March 11, 2003, Registrant sold a total of 12,916,665 common shares for a cash purchase price of \$.015 per share as follows:

Name	Number Common Shares Purchased	Date
Rachel L. Steele	2,300,000	09-10-02
Gary H. Anderson	1,000,000	09-25-02
Barbara B. Reschly	1,000,000	09-09-02
Alvin L. Ferrer	333,333	09-10-02
Jainarine Leonard	66,666	09-19-02
Frances Best-Ferrer	266,666	09-18-02
Timothy C. Minnehan	2,000,000	09-09-02
Theodore Grevas	700,000	09-25-02
James C. Ottogalli	200,000	02-21-03
Richard T. Fisher	1,000,000	03-11-03
Paul Welch	500,000	01-10-03
James C. Ottogalli.	200,000	02-14-03
William Kapner	500,000	01-27-03
Leonard Root	100,000	01-23-03
Denno Family Limited Partnership	1,000,000	02-03-03
Douglas W. Kile	350,000	12-12-02
Sarah L. Tyson	200,000	12-19-02
Douglas B. Odell	200,000	01-01-03
Richard T. Fisher	1,000,000	11-22-02

All sales were made pursuant to Section 4(2) of the 1933 Act. The proceeds of the sale of these securities (\$194,250.00) were used to pay \$53,439.05 due to 2D&H, Inc., a corporation controlled by David G. Marshlack and Charles Bruce Hammil, \$80,000 to David G. Marshlack, Dan Marshlack, and Charles Bruce Hammil, and to provide operating capital.

On February 1, 2003, the Company entered into a consulting agreement with an individual to investigate a potential business opportunity for a period of ninety days. In exchange for services, the consultant will receive \$10,000 and 1,000,000 common shares.

Special Note Regarding Forward Looking Statements.

This annual report on Form 10-KSB of Yseek, Inc. for the year ended December 31, 2002 contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. To the extent that such statements are not recitations of historical fact, such statements constitute forward-looking statements which, by definition, involve risks and uncertainties. In particular, statements under the Sections; Description of Business, Business Strategy and Management's Discussion and Analysis of Financial Condition and Results of Operations contain forward-looking statements. Where, in any forward-looking statement, Yseek expresses an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished.

The following are factors that could cause actual results or events to differ materially from those anticipated, and include but are not limited to: general economic, financial and business conditions; changes in and compliance with

Edgar Filing: YSEEK INC - Form 10KSB

governmental regulations; changes in tax laws; and the costs and effects of legal proceedings.

Item 6. Management's Discussion and Analysis or Plan of Operation

The following discussion and analysis should be read in conjunction with the Financial Statements and the related Notes thereto included elsewhere in this report. This report contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in "Special Note Regarding Forward-Looking Statements."

PLAN OF OPERATION

In the fourth quarter of 2000 and the first quarter of 2001, the Company entered into strategic alliances with companies and individuals with substantial experience in the Internet industry. The alliances allowed the Company to acquire management and marketing expertise through consulting agreements. In April 2001, the Company's officers resigned. Individuals affiliated with the consultants noted above were elected to the Board of Directors. These individuals have substantial experience with profitable Internet companies and web sites. In September 2002 these officers and directors elected new officers and directors and then resigned. The new officers and directors have been involved with the company since its inception, except for the period from April 2001 to September 2002.

In late 2000, the Company acquired a ten-year software license for the use of a keyword biddable search engine and related domain names. The Company entered into two traffic promotion agreements whereby each promoter provided hits to the Company web site. The Company issued stock in exchange for these agreements enabling the Company to move forward on its plans without the use of any funds.

The stock issued under the traffic promotion agreements was returned in September 2002. New management elected in September 2002 has decided not to pursue an Internet related business and therefore recognized an impairment loss for the unamortized value of the search engine in the fourth quarter of 2002. Management will attempt to sell the remaining term of the license however there is no ready market and the ultimate proceeds, if any, cannot be determined.

The Company's plans include acquiring profitable business ventures. On February 1, 2003, the Company entered into a consulting agreement with an individual to investigate the ultrasound fetal imaging business for a period of ninety days. Based on the consultant's recommendations, the Company presently intends to acquire or develop ultrasound facilities. In exchange for these services, the consultant will receive \$10,000 and 1,000,000 common shares. The Company is currently actively exploring several possible acquisitions however there are no pending letters of intent or active negotiations.

The Company's plans to acquire other profitable business ventures will require additional funds. From September, 2002 through December, 2002, the Company received \$138,730 from sales of common stock, of which \$35,000 was from one of the new officers who is a major stockholder. This initial funding was used primarily to pay off debts and to fund minimal administrative costs. The Company plans to fund the operations of the company through additional sales of common stock. Acquisitions will be funded through a combination of cash, stock and debt. The Company believes that in the current marketplace they are an attractive merger partner due to their public company status. In early 2003, the Company received \$52,500 from sales of common stock. These funds were used to fund the consultant agreement and ongoing operations.

As of December 31, 2002 the Company had cash available of approximately \$7,000.

Edgar Filing: YSEEK INC - Form 10KSB

However, the Company's operations are currently minimal and the cash outflows have been substantially reduced. Additionally the Company's officers and board members have agreed to fund the Company's operations if necessary.

In October 2002 the Company entered into employment agreements with its vice president and treasurer. The employment agreements are for the period October 1, 2002 through September 30, 2003. Compensation under both agreements will be 4,500,000 common shares valued at \$.01 per share.

Item 7. Financial Statements

YSEEK, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2002

F-1

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Yseek, Inc.

We have audited the accompanying balance sheet of Yseek, Inc. as of December 31, 2002, and the related statements of operations, changes in stockholders' equity, and cash flows for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the management of Yseek, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yseek, Inc. as of December 31, 2002, and the results of its operations and its cash flows for the years ended December 31, 2002 and 2001, in conformity with accounting principles generally accepted in the United States of America.

Certified Public Accountants
Tampa, Florida
March 6, 2003

Edgar Filing: YSEEK INC - Form 10KSB

The accompanying notes to financial statements
are an integral part of this statement.

F-2

YSEEK, INC.

BALANCE SHEET

DECEMBER 31, 2002

ASSETS

Current assets
Cash

Total Assets

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities
Accounts payable and accrued expenses

Commitments and contingencies

Stockholders' equity

Common stock; \$.0001 par value; 50,000,000 shares authorized; 34,811,765 shares
issued and outstanding
Paid-in capital
Accumulated deficit

Total stockholders' equity

Total Liabilities and Stockholders' Equity

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

F-3

YSEEK, INC.

STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	2002
Revenues	\$
Expenses	
Selling, general and administrative	119,7

Edgar Filing: YSEEK INC - Form 10KSB

Total expenses	119,7
Other income (expense)	-----
Interest income	-
Interest expense	(2,9
Total other income (expense)	-----
Loss from continuing operations	(122,7
Discontinued operations	
Loss from discontinued operations of internet business	593,5
Net loss	\$ (716,2
Loss per common share	
From continuing operations	\$
Discontinued operations - loss from operations	(.
Total loss per share	\$ (.
Weighted average common shares outstanding	33,074,1

=====

The accompanying notes to financial statements
are an integral part of this statement.

F-4

YSEEK, INC.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	Common Stock		Paid-in Capital
	Shares	Amount	
Balance, December 31, 2000	23,840,100	\$ 2,383	\$ 10,398,372
Common stock sold	475,000	48	104,640
Common stock issued for acquisition of Rankstreet.com, Inc	1,000,000	100	203,000
Common stock returned in reformation agreement	(3,000,000)	(300)	(2,562,200)
Services donated by stockholder	-	-	8,750
Net loss	-	-	-
Balance, December 31, 2001	-----	-----	-----
Common stock issued for services	22,315,100	2,231	8,152,562
	9,000,000	900	89,100

Edgar Filing: YSEEK INC - Form 10KSB

Common stock issued for cash	9,216,665	922	137,808
Common stock returned	(5,720,000)	(572)	572
Net loss	-	-	-
Balance, December 31, 2002	34,811,765	\$ 3,481	\$ 8,380,042

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

F-5

YSEEK, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	2002
Operating activities	-----
Net loss	\$ (716,2
Adjustments to reconcile net loss to net cash used in operating activities:	-----
Contributed services	-
Stock issued to consultants and employees	90,0
Depreciation and amortization	65,4
Increase in allowance for doubtful accounts	-
Writedown of property and equipment due to impairment	-
Writedown of software license due to impairment	517,7
Recovery of amortization expense due to stock recision	-
Loss from disposal of equipment	-
Decrease (increase) in other receivables	2,0
Increase in interest receivable	-
Decrease in prepaid expenses	-
Increase in accounts payable and accrued expenses	4,1
Total adjustments	679,3
Net cash used in operating activities	----- (36,9
Investing activities	-----
Decrease (increase) in deposits and other assets	-
Financing activities	-----
Proceeds from issuance of notes and loans payable	22,5
Payments on notes payable	(117,5
Proceeds from sale of common stock	138,7
Net advances from a stockholder	-
Net cash provided by financing activities	----- 43,7
Net increase (decrease) in cash	6,7
Cash, beginning of year	2
Cash, end of year	----- \$ 6,9

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

F-6

YSEEK, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

Supplemental disclosures of noncash investing and financing activities

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

In 2002 and 2001, the Company issued stock amounting to \$90,000 and \$104,688, respectively, for consultant services and employee compensation.

Cash flow information:

	2002	2001
	-----	-----
Cash paid for interest	\$ 7,539	\$ 2,016

F-7

YSEEK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

(1) Significant Accounting Policies:

The following is a summary of the more significant accounting policies and practices of Yseek, Inc. (the Company) which affect the accompanying financial statements.

(a) Organization--Yseek, Inc. was incorporated on September 23, 1997.

(b) Operations--The Company acquires and develops unique companies and/or technologies. In late 1999, the Company acquired a company that developed a web site to provide comparative statistical analysis of Internet advertising. This web site and its technology was abandoned in early 2001. Late in 2000, the Company launched an Internet search portal called Yseek.com. The Internet search portal was abandoned as an operating asset in late 2002 and internet operations were discontinued.

Originally the Company was formed to develop, own and operate a chain of full-service car wash and express oil change centers. The Company owned and operated one such center from January 1999 through April 2000. The center was sold in April 2000. The Company discontinued this segment of business.

The Company is currently investigating operating businesses to acquire or develop.

(c) Use of estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make

Edgar Filing: YSEEK INC - Form 10KSB

estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(d) Cash--For the purposes of reporting cash flows, the Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

(e) Software license-- The cost of purchased software is capitalized and depreciated using the straight-line method over the estimated useful life of ten years.

(f) Loss per common share--Loss per share is based on the weighted average number of common shares outstanding during each period in accordance with Statement of Financial Accounting Standards No. 128, Earnings Per Share. In computing diluted earnings per share, warrants were excluded because the effects were antidilutive.

(g) Advertising--Advertising costs are charged to operations when incurred. Advertising expense was \$4,300 for the year ended December 31, 2001.

(h) Deferred income taxes-- Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective income tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income in the period that included the enactment date.

F-8

YSEEK, INC. NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2002 AND 2001

(1) Significant Accounting Policies: (Continued)

(i) Long-lived assets--Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount and fair value of the asset and long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

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

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

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

Edgar Filing: YSEEK INC - Form 10KSB

In April 2001, the existing management and Board of Directors of the Company resigned and were replaced by individuals with experience with internet based businesses. The new Board of Directors evaluated the web site and the goodwill that was acquired in the purchase of Rankstreet.com, Inc. and deemed it to be impaired and of no future value to the Company.

Upon further investigation by the Company's new management it was determined that certain contingencies in the original acquisition agreement had not been met. In June 2001, the original stockholders of Rankstreet.com, Inc. entered into a reformation agreement with the Company. This agreement concluded that the 3,000,000 shares issued in December 1999 and May 2000 would be returned since the contingencies related to these shares had not been met. Those shares were returned to the Company in June 2001. This reformation results in a reduction in goodwill related to the Rankstreet acquisition of \$2,562,500, the original value of the shares issued. This resulted the recovery of amortization in the amount of \$324,069. The Company recognized an impairment loss due to the Rankstreet web site of \$129,773.

(3) Loss from Impairment of Software License and Discontinued Operations:

Late in 2000, the Company launched an Internet search portal called Yseek.com based on a ten-year license it acquired in late 2000. During 2001 and 2002, the Company entered into several short-term revenue sharing agreements with internet host sites to generate traffic to the site and generate revenues. The Company's management with internet related experience resigned from the Company in September 2002.

F-9

YSEEK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

(3) Loss from Impairment of Software License and Discontinued Operations:

(Continued)

In December 2002, current management determined they would dispose of their software license for an Internet search portal called Yseek.com due to the lack of revenues, experience of current management with internet businesses and due to the lack of funds available to generate sufficient revenues from the site. Management will attempt to sell the license however there is not an active market for such an asset, and no buyer is presently identified. As of December 31, 2002, the net book value of the license was \$517,754. The Company recognized a loss from impairment of \$517,754 in 2002 which is included in loss from discontinued operations in the statement of operations. The Company discontinued internet operations in December 2002.

Amortization expense on software license, which is included in general and administrative expense, was \$65,400 in 2002 and 2001, respectively.

Summarized results of internet operations for the years ended December 31, 2002 and 2001 are as follows:

		Year Ended December 31,

	2002	2001

Edgar Filing: YSEEK INC - Form 10KSB

Net sales	\$	254	\$	477
=====				
Operating loss	\$	(593,558)	\$	(3,310,774)
=====				
Loss from discontinued operation	\$	(593,558)	\$	(3,310,774)
=====				

(4) Income Taxes:

No provision for income taxes has been recorded for 2002 or 2001 due to net losses incurred.

Temporary differences giving rise to the deferred tax assets consist primarily of the deferral and amortization of start-up costs for tax reporting purposes, differences in lives and depreciation methods for property and equipment and intangible assets and impairment losses recognized for financial statement purposes. Management has established a valuation allowance equal to the amount of the deferred tax assets due to the uncertainty of realization of the benefit of the net operating losses against future taxable income. The components of deferred tax assets at December 31, 2002, consist of the following:

Deferred tax assets:	
Net operating loss	\$ 2,013,000
Deferred start up costs and other temporary differences	140,000
Valuation allowance	(2,153,000)
Net deferred tax asset	-----
	\$ -
	=====

The Company has operating losses of approximately \$7,743,000 which can be used to offset future taxable income. These losses begin to expire in the year 2018.

F-10

YSEEK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

(i) Stock Transactions:

During 2002, the Company sold 9,216,665 shares of common stock for cash of \$138,730.

In 2000, the Company issued 5,720,000 shares of common stock under two traffic promotion agreements, with two companies related to then officers or directors of Yseek. These agreements expired one year later. The Company recognized an expense of \$1,287,000 related to these agreements. In September 2002, the two companies returned the entire 5,720,000 common shares. Yseek and the companies executed mutual releases from any future claims, losses or rights. The shares received by the Company were recorded at cost, which was zero.

On October 1, 2002, the Company issued 9,000,000 shares of common stock under one-year employment agreements with two officers of the Company. The Company recognized an expense of \$90,000 related to these agreements, which represents the market value of the shares less a discount because the shares are unregistered and are not easily marketable.

During January and February of 2001, the Company issued 150,000 shares of common

Edgar Filing: YSEEK INC - Form 10KSB

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

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

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

(6) Commitments and Related Party Transactions:

The President and Operations Manager performed services for the Company at no cost through March 2001. The Board of Directors valued these services at \$8,750 in 2001, and recorded this amount as an expense and an increase in additional paid-in capital in the accompanying financial statements. The Operations Manager has an employment contract through March 2001, with a minimum salary of \$25,000 per year.

The Company entered into several agreements with related parties as described in Note 5.

F-11

YSEEK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

(6) Commitments and Related Party Transactions: (Continued)

The above related party agreements are not necessarily indicative of the agreements that would have been entered into by independent parties.

During 1998, the Company entered into an agreement for use of a private suite at the Raymond James Stadium for the 1998 through 2003 football seasons. Included in deposits at December 31, 2000 was a \$30,000 deposit in accordance with the terms of this agreement. The Company incurred expenses of \$33,030 during 2000, related to this agreement. The Company was committed under this agreement for an annual fee of \$30,000 through 2003. In June 2001, the Company terminated this agreement and forfeited their deposit of \$30,000.

() Warrants:

At December 31, 2001, the Company had outstanding exercisable warrants to

Edgar Filing: YSEEK INC - Form 10KSB

purchase 318,240 shares of the Company's common stock at \$2.00 per share. The warrants expired in 2001.

At December 31, 2001, the Company had outstanding exercisable warrants to purchase 249,000 shares of the Company's common stock at various prices based upon expiration dates. Warrants expiring in 2003 are exercisable at \$7.00.

Prior to expiration, the warrants may be redeemed by the Company at a price of \$.01. As of December 31, 2002 no warrants have been redeemed.

(8) Stock Options:

The Company granted options to consultants under various consulting agreements. These agreements grant to the consultants the option to purchase shares of Company common stock at a fixed price of \$.50 per share. Management has determined these per share prices equal or exceed fair market value. These options expire on the third anniversary date of the execution date of the respective agreement and are immediately vested.

A summary of consultant option activity follows:

	December 31,	
	2002	2001
Outstanding, beginning of year	3,075,000	3,000,000
Issued	-	75,000
Cancelled	-	-
	-----	-----
Outstanding, end of year	3,075,000	3,075,000
	=====	=====

F-12

YSEEK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

(8) Stock Options: (Continued)

The Company follows SFAS 123 in accounting for stock options issued to nonemployees. The fair value of each option granted is estimated using the Black-Scholes stock option pricing model. The following assumptions were made in estimating fair value: risk-free interest rate of 5.38% in 2001; no dividend yield; expected life of one and one-half years; 9.53% volatility in 2001. There was no compensation cost related to these options.

The weighted average exercise price of options granted was \$.50 in 2001. The weighted average fair value of options granted was \$.00 in 2001.

(9) Subsequent Events:

In 2003, the Company has sold 2,500,000 shares of common stock for \$37,500.

On February 1, 2003, the Company entered into a consulting agreement with an individual to investigate a potential business opportunity for a period of ninety days. In exchange for services, the consultant will receive \$10,000 and 1,000,000 common shares.

Edgar Filing: YSEEK INC - Form 10KSB

F-13

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has not had any disagreement with its independent auditor on any matter of accounting principles or practices or financial statement disclosure.

Part III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance With Section 16(a) of the Exchange Act.

The following is a brief description of the educational and business experience of each director, executive officer and key employee of the Company:

Name of Director	Age	Principal Occupations During Past Five Years; Certain Directorships
David Weintraub	39	1998-2000: Vice President-Marketing - Swifty Car Wash & Quik-Lube, Inc. 2000-2001: Sales, Marketing - SwiftyNet.com, Inc. 2003-Present: CEO, Director - Yseek, Inc.
Rachel Steele	36	1998-2000: President, Secretary - Swifty Car Wash & Quik-Lube, Inc. 2000-2002: President - SwiftyNet.com, Inc. 2000-2001: Director - SwiftyNet.com, Inc. 2002-Present: Vice President, Director - Yseek, Inc.
Glen Ostrowski	37	1998-2002: Vice President-Marketing - Animagic Animation 2002-Present: President - Yseek, Inc.
Tanya Ostrowski	26	1995-2002: Administrative Assistant, Processor - Compass Bank 2002-Present: Secretary, Treasurer, Director - Yseek, Inc.

No voting arrangements exist between the officers and directors. Mr. Weintraub and Ms. Steele live together. The above persons were selected pursuant to provisions in the Company's By-Laws, all holding office for a period of one year or until their successors are elected and qualified. None of the officers or directors of the Company have been involved in legal proceedings during the past five years which are material to an evaluation of the ability or integrity of any director, person nominated to become a director, or executive officer of the issuer, including any state or Federal criminal and bankruptcy proceedings.

Item 10. Executive Compensation

Summary Compensation Table		
Annual Compensation	Long Term Compensation Awards Payouts	

Edgar Filing: YSEEK INC - Form 10KSB

(a) Name and Principal Position	(b) Year	(c) Salary (\$)	(d) Bonus (\$)	(e) Other Annual Compen sation	(f) Restricted Stock Awards (\$)	(g) Securities Underlying Options/ SARs (#)	(h) LT Payou
David Weintraub Chief Executive Officer	0	0	0	0	0	0	0
Glen Ostrowski President	0	0	0	0	0	0	0
Tanya Ostrowski Secretary-Treasurer	0	0	0	0	0	0	0
Rachel Steele Vice President	0	0	0	0	0	0	0

(1) Reflects issuance of 4,500,000 shares.

(2) Reflects issuance of 4,500,000 shares.

All of the Company's officers and director but Ms. Steele are engaged in other enterprises on a full-time basis. Ms. Steele donated her 2000 and 2001 salary to the Company. No other officer or directors have been compensated for their services in those capacities. At this time, the Company does not plan on paying its Board of Directors in return for their services as Directors.

Item 11. Security Ownership of Certain Beneficial Owners and Management

None of the officers and directors have received a salary during the past twelve months. There are no officer or director groups. As a group, the officers and directors of the Company own 11,682,768. As of March 19, 2003 the stock ownership of the Officers and Directors and 10% Shareholders was as follows.

Title Of Class	Name and Address of Beneficial Owner	Amt and Nature of Beneficial Ownership	Percent of Class
Common Stock	Glen Ostrowski 3645 Kings Road Bldg 6, #104 Palm Harbor, FL 34685	100,000	0.27%
Common Stock	Rachel Steele 7732 N. Mobley Road Odessa, FL 33556	7,082,768	19.67%
Common Stock	Tanya Ostrowski 3645 Kings Road Bldg 6, #104 Palm Harbor, FL 34685	4,500,000	12.50%
Common Stock	Candidhosting.com, Inc. 412 East Madison Suite 1000 Tampa, FL 33602	2,430,000	06.75%
Common Stock	Timothy Minnehan P.O. Box 243	2,232,000	06.20%

Edgar Filing: YSEEK INC - Form 10KSB

Linonia NY 14487

Common Stock	Total	16,344,768	45.39%
-----------------	-------	------------	--------

Item 12. Certain Relationships and Related Transactions

Item 13. Exhibits and Reports on Form 8-K

Exhibit Description	Number
---------------------	--------

(2) Plan of Acquisition, Reorganization,
Arrangement, Liquidation or Succession

(3) Articles of Incorporation and By-Laws

*(3.1) Articles of Incorporation

**(3.2) By-Laws

++(3.3) Articles of Amendment Name Change

(4) Instruments Defining the Rights of Security Holders

(a) Subscription Agreement

*(b) Warrant Agreement

++(c) Warrant Resolution dated March 2, 2000

(9) Voting Trust Agreement

(10) Material Contracts *(10.1) Equipment Purchase Contract *(10.2) Construction
Contract *(10.3) Architect Contract *(10.4) Consulting Contract-Donald Hughes
*(10.5) Employment Contract-Stanley Rabushka *(10.6) Promissory Note - Swifty
*(10.7) Promissory Note - Steele *(10.8) Consulting Contract-John Oster
*(10.9) Raymond Lipsch Contract *(10.10) Land Purchase Contract

**(10.11) Stanley Rabushka Employment and Stock Agreement

**(10.12) Tampa Bay Buccaneers Agreement

*** (10.13) Edgar Arvelo Consulting Contract

*** (10.14) Richard Kleinberg Employment Contract

*** (10.15) Vladimir Rafalovich

*** (10.16) Martinez Consulting Contract

**** (10.17) Purchase and Sale Contract between Jim Malak and/or Assigns and
SwiftyNet.com, Inc.

dated April 6, 2000

+(10.18) Consulting Agreement with Netelligent Consulting
dated October 11, 2000

+(10.19) Consulting Agreement with Frank Pinizzotto
dated September 19, 2000

+(10.20) Consulting Agreement with Gigi Pinizzotto
dated September 19, 2000

+(10.21) Professional Services Agreement with
Laurie Stern dated July 31, 2000

+(10.22) Consulting Agreement with Mark Daniel White
dated September 19, 2000

++(10.23) Consulting Agreement with Nick Trupiano
dated November 25, 2000

++(10.24) Consulting/Option Agreement with CandidHosting.com, Inc.
dated December 1, 2000

++(10.25) Consulting/Option Agreement with David S. Goldman
dated December 19, 2000

++(10.26) Consulting/Option Agreement with Voice Media, Inc.
dated December 1, 2000

++(10.27) Public Relations Agreement with Shoreliner

Edgar Filing: YSEEK INC - Form 10KSB

Capital Ltd. Partnership dated January 17, 2001

++(10.28 Traffic Promotion Agreement with Voice Media, Inc.
dated November, 2000

++(10.29)Traffic Promotion Agreement with CandidHosting.com, Inc.
dated December 1, 2000

++(10.30)Consulting Agreement with Paul Runyon
dated November 25, 2000

++(10.31)Non-Exclusive License Agreement with Norman J. Jester, III
dated November, 2000

++(10.31)Client Services Agreement with Markham/Novell
Communications, Ltd. dated January 9, 2001

++(10.32)Client Services Agreement with Novell Markham
Communications, Ltd. dated January 9, 2001

++(10.33)Stock Option Agreement with Mark P. Dolan
dated January 10, 2001

++(10.34)Assignment of Contract with Netelligent
dated December 7, 2000

++(10.35)Consulting Agreement with Marlene Trupiano
dated January 3, 2000

++(10.36)Consulting Agreement with Marlene Trupiano
dated November 25, 2000

+++ (10.37)Promissory Note to 2D&H, Inc.

+++ (10.38)Guaranty Agreement

+++ (10.39)Termination Agreement Reformation Agreement with NeuTelligent, Inc.,
f/k/a CandidHosting.com, Inc.*

+++ (10.40)Termination Agreement Reformation Agreement with Voice Media, Inc.

++++ (10.41)Employment Agreement with Rachel L. Steele dated October 1, 2002....

++++ (10.42)Employment Agreement with Tanya Ostrowski dated October 1, 2002.. ..

(11)Statement re: computation of per share earnings Note 1 to
Financial
Statements

(13)Annual or Quarterly Reports, Form 10Q None

(16)Letter regarding Changes in Certifying Accountant None

(18)Letter on change in accounting principles None

(21)Subsidiaries of the registrant None

(22)Published report regarding matters submitted to vote None

(23)Consents of Experts and Counsel None

(24)Power of Attorney None

(99)Additional Exhibits None

+++++99.1 Certification of Chief Executive Officer and Chief
Financial Officer pursuant to 18 U.S.C. Section 1350, as
adopted pursuant to Section 906 of the Sarbanes-Oxley Act
of 2002.

* Previously filed with Form 10-SB on November 23, 1998.

** Previously filed with Form 10-SBA No. 1 on February 2, 1999.

*** Previously filed with Form 10-KSB filed on March 30, 2000.

Edgar Filing: YSEEK INC - Form 10KSB

**** Previously filed with Form 10-QSB filed May 15, 2000.
+ Previously filed with Form 10QSB filed 11-17-00.
++ Previously filed with Form 10KSB filed March 29, 2001.
+++ Previously filed with Form 8-K filed September 16, 2002.
++++ Previously filed with Form 10-QSB filed November 14, 2002.
+++++ Filed herewith.

Reports on Form 8-K

None.

Item 14. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

Our Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 Rules 13a-14(c) and 15d-14(c) as of a date (the "Evaluation Date") within 90 days before the filing of this annual report, have concluded that, as of the Evaluation Date, our disclosure controls and procedures were adequate and designed to ensure that the information required to be disclosed in the reports filed or submitted by us under the Securities Exchange Act of 1934 is recorded processed, summarized and reported with in the requisite time periods.

(b) Changes in internal controls.

There were no significant changes in our internal controls or in other factors that could significantly affect our internal controls subsequent to the Evaluation Date.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Company caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on March 26, 2003.

YSEEK, INC.
f/k/a SwiftyNet.com, Inc.

By: _____/s/_____
DAVID WEINTRAUB,
Chief Executive Officer

In accordance with the requirements of the Exchange Act, this report has been signed by the following persons in the capacities indicated on March 26, 2003.

SIGNATURE TITLE
_____/s/_____
Chief Executive Officer, Director

DAVID WEINTRAUB

_____/s/_____
President, Director

GLEN OSTROWSKI

Edgar Filing: YSEEK INC - Form 10KSB

_____/s/_____
Vice President, Director

RACHEL STEELE

_____/s/_____
Secretary, Treasurer, Director

TANYA OSTROWSKI

CERTIFICATION
OF
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

I, DAVID WEINTRAUB, certify that:

1. I have reviewed this annual report on Form 10-KSB of YSEEK, INC.;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual 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 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 annual 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 annual report (the "Evaluation Date"); and
 - c) presented in this annual 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 annual 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.

Date: March 26, 2003

_____/s/_____
DAVID WEINTRAUB
Chief Executive Officer
Chief Financial Officer