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

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**FORM 10-Q/A**

**Amendment No. 1**

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(Mark One)

**Quarterly report pursuant to Section 13 OR 15(D) of the Securities Exchange Act of 1934**

For the quarterly period ended March 31, 2005

OR

**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: 0-08962

**KENILWORTH SYSTEMS CORPORATION**

(Exact name of registrant as specified in its charter)

**New York**  
(State of incorporation)

**84-1641415**  
(I.R.S. employer identification no.)

**185 Willis Avenue, Mineola, New York**  
(Address of principal executive offices)

**11501**  
(Zip Code)

**(516) 741-1352**  
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (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 of each of the issuer's classes of common stock as of the latest practical date

The number of shares of common stock, \$.01 par value of the Registrant outstanding as of March 31, 2005 was 142,126,245.

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Signature		

#### CAUTIONARY STATEMENT FOR PURPOSES OF THE “SAFE HARBOR” PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND RISK FACTORS

The information contained in this Form 10-Q/A Amendment No. 1 and Kenilworth’s other filings with the Securities Exchange Commission may contain “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, and is subject to the safe harbors created thereby. Such information involves important risks and uncertainties that could significantly affect results in the future and, accordingly, such results may differ from those expressed in any forward looking statements herein. Future operating results may be adversely affected as a result of a number of factors.

You should not rely on forward-looking statements in this Form 10-Q/A Amendment No. 1. This Form 10-Q/A Amendment No. 1 contains forward-looking statements that involved risks and uncertainties. We use words such as “anticipates”, “believes”, “plans”, “expects”, “future”, “intends” and similar expressions to identify such forward-looking statements. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this Form 10-Q/A Amendment No. 1. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including the risks faced by Kenilworth as described below and elsewhere in this Form 10-Q/A Amendment No. 1.

## RISKS

Specific reference is made to each of the risks described in Item 7 of the Form 10-K/A Amendment No. 1 for December 31, 2004 under the discussion “Cautionary Statement For Purposes of the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995 and Risk Factors”. Reference is also made to future filings under Forms 10-Q and Forms 10-K and filings under the Securities Exchange Act of 1934 as amended and as may be applicable under the Securities Act of 1933 as amended.

## INTRODUCTORY NOTE

This Amendment No. 1 on FORM 10-Q/A is being filed to restate the Company’s Financial Statements in order to conform to the accounting requirements as a “Development Stage Company” from the period beginning November 24, 1998 to the present at March 31, 2005, to reverse a charge in the amount of \$4,256,926, which was the amount the Company disbursed on or about September 28, 1998 to be discharged from Chapter 7 Bankruptcy Proceedings, and certain adjustments principally to correct the values applied to Convertible Promissory Note discounts and shares of Common Stock issued for services rendered.

The Company issued 70,980,447 shares of its Restricted Common Stock since January 1, 2002. All of the shares may have the restrictions lifted pursuant to Rule 144 and 144K within one (1) or two (2) years which may substantially depress the trading price of the Company’s Stock in the future.

**KENILWORTH SYSTEMS CORPORATION**  
**(A DEVELOPMENT STAGE COMPANY)**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>March 31, 2005</b>	<b>December 31, 2004</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash .....	\$ 3,334	\$ 5
Prepaid expenses.....	62,500	93,750
Loan receivable - employee.....	1,800	—
Total current assets .....	67,634	93,755
PROPERTY AND EQUIPMENT - NET .....	33,627	36,863
PATENT REGISTRATION COSTS.....	67,827	68,763
SECURITY DEPOSIT .....	4,250	4,250
Total assets.....	<b>\$ 173,338</b>	<b>\$ 203,631</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses .....	\$ 114,498	\$ 218,772
Payroll taxes payable .....	77,661	59,522
Loans payable - stockholders.....	35,000	10,000
Loans payable - related parties .....	—	25,120
Total current liabilities.....	227,159	313,414
<b>STOCKHOLDERS' DEFICIT</b>		
Preferred Stock - par value \$.01 per share; authorized 2,000,000 shares; no shares issued and outstanding		
Common stock - par value \$.01 per share; authorized 200,000,000 shares; issued and outstanding 142,126,245 and 137,551,245 shares, respectively....	1,421,262	1,375,512
Additional paid-in capital .....	26,679,348	26,468,771
Less: stock subscriptions receivable .....	—	(15,000)
Deficit accumulated during the development stage .....	(28,154,431)	(27,939,066)
Total stockholders' deficit .....	(53,821)	(109,783)
Total liabilities and stockholders' deficit.....	<b>\$ 173,338</b>	<b>\$ 203,631</b>

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

**KENILWORTH SYSTEMS CORPORATION**  
**(A DEVELOPMENT STAGE COMPANY)**  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT ACCUMULATED DURING**  
**DEVELOPMENT STAGE**  
**FOR THE THREE MONTHS ENDED MARCH 31,**  
**(Unaudited)**

	Three months ended March 31,		Period from November 24, 1998 to March 31, 2005
	2005	2004	
Expenses			
Selling, general and administrative.....	\$ 161,303	\$ 708,212	\$ 2,964,922
Other income (expenses)			
Interest income.....	-	61	922
Interest expense .....	(54,062)	(216,266)	(811,312)
Total other income (expense) .....	(54,062)	(216,205)	(810,390)
Net loss .....	<u>\$ (215,365)</u>	<u>\$ (924,417)</u>	<u>\$ (3,775,312)</u>
Basic and diluted loss per share .....	<u>(0.002)</u>	<u>(0.008)</u>	
Weighted average number of shares outstanding.....	<u>139,838,745</u>	<u>114,780,261</u>	

**KENILWORTH SYSTEMS CORPORATION  
AND SUBSIDIARIES  
(A DEVELOPMENT STAGE COMPANY)**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED)**

	Three Months ended March 31		Period from November 24, 1998 to March 31, 2005
	2005	2004	
Cash flows from operating activities			
Net loss .....	\$ (215,365)	\$ (924,417)	\$ (3,775,312)
Adjustments to reconcile net loss to net cash provided by operating activities .....			
Depreciation .....	3,236	434	19,840
Amortization of patent .....	1,323	1,040	9,199
Accretion of convertible debt discount .....	—	—	72,656
Beneficial conversion feature .....	54,000	214,240	669,097
Common stock issued for services .....	51,096	390,083	1,248,660
Common stock issued to induce debt conversion .....	—	—	63,276
Common stock issued for interest due on notes payable .....	—	—	8,501
Accrued interest transferred to capital .....	61	2,015	4,270
Other .....	—	—	21,100
Increase (decrease) in cash attributable to changes in assets and liabilities:			
Prepaid expenses .....	31,250	(4,250)	(62,500)
Loan receivable - employee .....	(1,800)	—	(1,800)
Accounts payable and accrued expenses .....	(104,274)	(30,832)	114,498
Payroll taxes payable .....	18,139	(1,079)	77,661
Net cash used in operating activities .....	<u>(162,334)</u>	<u>(352,766)</u>	<u>(1,530,854)</u>
Cash flows from investing activities			
Payment of loan receivable-stockholder .....	—	—	(4,000)
Proceeds from loan receivable-stockholder .....	—	—	4,000
Payment of patent costs .....	(387)	(1,069)	(67,026)
Purchase of property and equipment .....	—	(1,000)	(58,567)
Security deposit .....	—	—	(4,250)
Net cash used in investing activities .....	<u>(387)</u>	<u>(2,069)</u>	<u>(129,843)</u>
Cash flows from financing activities			
Proceeds from loans payable - stockholders .....	25,000	—	85,000
Payment of loans payable - stockholders .....	—	(5,000)	(10,000)
Proceeds from loans payable - related parties .....	13,000	—	154,137
Repayment of loans payable - related parties .....	(21,950)	(51,508)	(137,967)
Proceeds from convertible notes payable .....	125,000	422,000	1,400,361
Proceeds from sale of common stock .....	10,000	25,000	132,500
Proceeds from stock subscriptions receivable .....	15,000	25,000	40,000
Net cash provided by financing activities .....	<u>166,050</u>	<u>415,492</u>	<u>1,664,031</u>
Net change in cash .....	3,329	60,657	3,334
Cash - beginning of period .....	5	5	—
Cash - end of period .....	<u>\$ 3,334</u>	<u>\$ 60,662</u>	<u>\$ 3,334</u>
Supplemental disclosure of non-cash activities:			
Common stock issued for patent costs .....	\$ —	\$ —	\$ 10,000
Exchange of loans payable for convertible notes payable .....	\$ —	\$ —	\$ 50,000
Conversion of notes payable to common stock .....	\$ 125,000	\$ 422,000	\$ 1,388,500
Conversion of loan payable - related party to common stock .....	\$ 16,170	\$ —	\$ 16,170
Cancellation of stock subscriptions receivable .....	\$ —	\$ 29,000	\$ 29,000
Common stock issued for subscriptions receivable .....	\$ —	\$ —	\$ 71,500

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

**KENILWORTH SYSTEMS CORPORATION  
AND SUBSIDIARIES  
(A DEVELOPMENT STAGE COMPANY)**

**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)**

**NOTE 1 - BASIS OF PRESENTATION**

In the opinion of management, the accompanying unaudited condensed consolidated financial statements of Kenilworth Systems Corporation and subsidiaries (“Kenilworth”) beginning as of January 1, 2005 contain all adjustments (consisting of only normal accruals) necessary to present fairly the consolidated balance sheets as of March 31, 2005 and December 31, 2004 and the related statements of operations and cash flows for the three (3) month periods ended March 31, 2005 and 2004. These financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on FORM 10-K/A, restated as a Development Stage Company, filed with the Securities and Exchange Commission on July 13, 2005.

The results of operations for the three (3) month period ended March 31, 2005 are not necessarily indicative of the results for the entire year ending December 31, 2005.

**NOTE 2 - THE COMPANY AND NATURE OF BUSINESS**

Kenilworth Systems Corporation (the “Company”) was incorporated in New York in April 1968 and since emerging from bankruptcy proceedings now plans to be engaged in the business of developing and having terminals and other equipment manufactured and design systems that permit individuals from remote locations, to play along with live in progress casino table games via TV (simulcast) satellite and satellite cable broadcast around the world.

The Company was in bankruptcy proceedings under Chapter 7 and 11 of the Bankruptcy Code for the period from August 28, 1982 through September 28, 1998. The Company ceased all operations, between February 2, 1991 through September 28, 1998.

**NOTE 3 - PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements include the accounts of Kenilworth Systems Corporation and its wholly owned subsidiaries: Video Wagering Systems Corporation, Roulabette™ Nevada Corporation, Kenilworth Systems Nevada Corporation, Kenilworth Systems (UK) Limited and Kenilworth Satellite Broadcasting Corporation (a Delaware Corporation). None of these subsidiaries has any assets or liabilities.

**NOTE 4 - GOING CONCERN UNCERTAINTY**

As indicated in Note 2, the Company emerged from Chapter 7 in September 1998 and has not yet commenced operations. These factors create uncertainty as to the Company’s ability to operate as a going-concern and continue in business. Management plans to develop a wagering system that allows casino patrons and individuals outside the casino to play along remotely with live in-progress casino table games. The Company plans to obtain the necessary funding by offering its Common Stock, Senior Cumulative Convertible Preferred Shares and/or continue to sell Convertible Promissory Notes in private placements. There can be no assurances the Company can be successful in obtaining such financing.

The accompanying financial statements have been prepared assuming the Company is a going-concern and do not reflect adjustments, if any that would be necessary if the Company were not a going-concern.

**NOTE 5 – CONVERTIBLE PROMISSORY NOTES**

During the quarters ended March 31, 2005 and March 31, 2004 respectively, the Company sold to various private investors \$125,000 and \$422,000 principal amount of Convertible Promissory Notes bearing interest at rates ranging from 4.00% to 5.50% per annum. The Notes had a one-year term and were immediately convertible at the option of the noteholder into shares of restricted common stock based on conversion prices ranging from \$.05 to \$.12 per share. All Notes issued in the quarters ended March 31, 2005 and March 31, 2004 were converted into a total of 2,500,000 and 8,540,000 common shares, respectively.

**KENILWORTH SYSTEMS CORPORATION  
AND SUBSIDIARIES  
(A DEVELOPMENT STAGE COMPANY)**

**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)  
(UNAUDITED)**

**NOTE 6- NON CASH TRANSACTIONS**

Common shares issued for services

2005:

The Company issued 1,175,000 shares as compensation for services rendered during the first quarter period ended March 31, 2005. The services were valued at \$51,096.

2004:

The Company issued 7,801,667 shares as compensation for services rendered during the first-quarter period ended March 31, 2004. The services were valued at \$390,083.

**NOTE 7 – SUBSEQUENT EVENTS**

Subsequent to March 31, 2005, the Company raised an additional \$354,500 from the sale of Convertible Promissory Notes.

In April 2005, the Company entered into a consulting agreement for a one-year term. As compensation, the consultants received 2,000,000 shares of restricted common stock upon signing.

In June 2005, the Company agreed to issue 770,588 shares of restricted common stock in settlement of an employment contract dispute. The shares were valued by management at approximately \$38,500. The liability was accrued in 2004.

Subject to shareholder approval during the Annual Shareholders' Meeting, the Board of Directors has voted to increase the number of Authorized shares to 500,000,000.

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

**RESULTS OF OPERATIONS**

Since we emerged from bankruptcy proceedings on September 23, 1998 we have had no revenues from operations. We sustained substantial losses from general administrative expenses amounting of \$1,860,296 and \$768,229 in year 2004 and 2003 and for the three-months ended March 31, 2005 we sustained losses amounting to \$215,365 compared to a loss of \$924,417 for the quarter ending March 31, 2004. Kenilworth has had no revenues from operations during the past thirteen (13) years and there can be no assurances that it will ever have revenues from present planned operations.

**LIQUIDITY AND CAPITAL RESOURCES**

Our present plans are to develop a wagering system dubbed "Roulette™" that would allow patrons in the industrialized world to play and wager on live in-progress simulcast casino table games on terminals placed in hotels, resorts, bars and other public gathering places and in homes and offices on personal computers (PC's) or television sets connected to set top boxes for Interactive TV via digital satellite and digital cable broadcasts emanating from strictly regulated casinos.

**GENERAL**

Since early in the year 2000 we have been solely engaged in developing patents, markets and investigating how best to obtain Governmental approvals, by engaging lobbyists and consultants that would allow television satellite and cable subscribers throughout the industrialized world to play and wager along with live, in-progress casino table games (Roulette, Craps, Baccarat and more) from strictly regulated casinos located in the United States and other locations around the world.

Employing the latest encrypted satellite and cable technology and placing television cameras in strategic locations above the casino table games, without disrupting the normal game-monitoring activities, (a separate control room would direct the various camera angles), and transmitting the table games over the digital satellite and digital cable networks to television sets (“TV’s”), which become a platform for playing along with the casino games wherever TV’s are located.

Kenilworth titled the overall proposed project “Roulabette™”. There are 120 million TV subscribers in the United States and more than 300 million subscribers throughout the rest of the world (“The Market”). On average, households in the U.S. have 2 ½ TV’s. (It is important since the satellite and cable companies will charge a separate fee for transmitting the table games). Public gathering places can accommodate (be able to network) up to 200 TV sets with a simple satellite receiving dish or direct cable connections. With wagering possible in homes, hotel rooms, resort rooms, pubs, restaurants, race tracks and other public gathering places the Company believes will become a more than \$500 billion net win Market within five (5) years throughout the industrialized world.

To best market the casino games, the Company is selecting lotteries throughout the world to manage and operate the distribution and cash handling (deposits to play and paying winnings) using the lotteries’ existing databases for the sale of lottery tickets, and paying winnings at regular lottery licensed terminal locations.

All forty one (41) lotteries in the United States are owned and operated by County and State agencies. Throughout the rest of the world lotteries are owned by government agencies or non profit charitable agencies that distribute the net earnings to benefit social and charitable programs, or by private entities that pay a percentage of their net win to designated government agencies.

These foreign lotteries also have the same databases as lotteries in the United States, except most lotteries throughout Europe pool their lotteries between countries, not unlike Mega Millions and PowerBall in the United States, which makes the distribution simpler and very cost effective for both Kenilworth and the lotteries.

There are no technical breakthroughs required. The technology is readily available. What is needed is to get through the maze of Local, County, State and Federal regulations in each U.S. State and foreign countries. When the first State in the United States grants the Company permission to transmit the broadcast from one of its casinos to their residents and to States that do not have any casinos, (the entire East coast of the United States), the other forty (40) States with lotteries will join expeditiously.

The lotteries will receive forty percent (40%) of the net win without costs of any kind. In addition, the States’ general fund will receive five percent (5%) of the net win, also without costs of any kind.

In States that designate exclusively lottery proceeds to schools and their teachers it is a welcome contribution. In other States it will close budget gaps.

In addition, throughout the United States there are five hundred (500) facilities that simulcast live in-progress horse/dog races. At all facilities there are several large TV screens that show the races from the different tracks with general theater type seating for patrons and at private cubicles with television sets outfitted with touch screens. The cubicles rent for additional fees. After players open an account and select pin numbers, they can watch each race offered on the different tracks on the TV and place wagers on the different races by simply changing channels. The players may also watch sporting events, the news, the Stock market reports, and in the near future Roulabette™, live, in-progress casino table games. The simulcast centers have their own databases to manage the cash deposit and pay winnings on the horse/dog races and will be able to manage the casino games, on the same methods as the lotteries will manage Roulabette™. With fifty to one hundred (50-100) private TV’s, available in simulcast centers, especially at night, when fewer tracks are operating.

When playing along with live table games from a highly regulated jurisdiction, players will be assured that the game results are exactly what they see; and, playing along with live casino table games such as Roulette, Craps and Baccarat we believe will provide interaction, fun and far more excitement than playing make believe animated (virtual) games. It is the next best thing, we believe, to actually being at the table in the casino.

To conduct the initial broadcast Kenilworth believes it will require ten million dollars (\$10,000,000) and there are no assurances we will ever be able to obtain any of such money. At present, the Company does not have the funds readily available but hopes to obtain same, from investors, as soon as Kenilworth can commence broadcasting from a casino in the United States or other casinos throughout the world.

In prior years, Kenilworth completed a prototype system that allowed casino patrons to play along with live in-progress casino table games only within the confines of a casino, via closed circuit television. Also in 1990, we developed and delivered for the TAB (Totalizator Agency Board) a quasi government agency of the State of Victoria, Australia, a cashless slot machine system. Both systems required debit cards and central mainframe computers to manage the wagers. By making use of the expertise applied in the development of the aforementioned systems we plan to develop a second-generation system that will manage the wagers by the microprocessor installed in TV set-top boxes to receive satellite broadcasts. This as planned would allow a player in an interactive manner, at a remote location (outside the casino confines), to experience the actual play and excitement at the casino table game and to make wagers on the various games, without having to be physically present at the casino or casino table. There are no assurances we will be able to successfully develop any system.

The proposed "Roulabette™" system also will provide Roulabette™ terminals that may be placed in resorts, racetracks or other gathering places which consists of a personal computer (PC) with two (2) monitors. One (1) monitor will display the live in-progress casino table game play as well as advertising. The second, which will be outfitted with a touch screen, allows a player to place wagers directly over the games displayed on the first monitor. It will also have a variable denomination bill acceptor and a bar code ticket dispenser. Both monitors will be housed in an attractive enclosure. The Roulabette™ terminal will be the size of a typical "low boy" slot machine (desk top height). Each terminal would be self-sufficient, manages wagers from \$0.25 to \$100.00 or the equivalent in most any currency, and receives the table game play via simulcast digital satellite TV transmissions (with dish antennas) or local digital cable connection from legally operating casinos throughout the industrialized world.

Where authorized, hotels, resorts clubs and other public gathering places will be able to offer casino table game action in their establishments without incurring the costs to operate a casino. The Roulabette™ terminal is expected to offer an alternative to slot machine players. There are now believed to be more than ten (10) million slot machines played throughout the world.

Kenilworth will seek to promote to state lotteries and foreign jurisdictions, and other state regulated entities, the ability to operate websites that will manage the wagers. The program will ask state legislatures to amend their lottery horse/dog racing and OTB legislation to include Roulabette™ wagering or promulgate new legislation. There are no assurances that the necessary approvals will be granted.

We believe there are powerful arguments for state legislatures to amend their Lottery Acts to include "Play Along with Roulabette™ Live". Lottery revenue is gradually decreasing in every state. Thirty-two (32) states and the District of Columbia are pooling their lottery prizes with the "PowerBall" and "Big Game" national lotteries. In most of these states, the state lottery finds it difficult to obtain sufficient numbers of players to make up a minimum weekly lottery prize of one million dollars (\$1,000,000). In most states, the revenue from lottery play benefits education. States need something more attractive to restore revenue. With "Play Along with Roulabette™ Live", there is interaction, excitement and fun. All which we believe may be at much better odds than may be offered by the lotteries. The lotteries can establish maximum wagers daily, weekly and monthly limits, and monitor compulsive gamblers, and almost prevent 100% of the underaged from wagering on Roulabette™ by use of lottery terminals to make deposits in cash to wager along.

Project Roulabette™ is a concept intended to be developed and there can be no assurances that it will ever be developed successfully. The Patented microprocessors to be installed in the TV set top boxes or the Television set directly have not been designed. We have as at March 31, 2005, no firm developed agreement, customers except for proposals submitted for future business and there can be no assurances that we will ever have same.

Kenilworth plans to obtain the necessary funding by offering in Private Placements, Common Shares, Convertible Promissory Notes, and Cumulative Convertible Preferred Shares and/or by the sale of limited joint venture participations in future Roulabette™ franchises. There can be no assurances that the Company will be able to secure any of these funds.

PART II.  
OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS:

None

Item 2. CHANGE IN SECURITIES:

None

Item 3. DEFAULT UPON SENIOR SECURITIES:

None

Item 4. SUBMISSION OF A MATTER TO A VOTE OF SECURITIES HOLDERS:

None

Item 5. OTHER INFORMATION:

The Company plans to hold its Annual Meeting of Shareholders on or about September 13, 2005 or any adjournment thereof with proxy materials mailed to shareholders of record on August 2, 2005 prior to the proposed meeting dates.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K:

Ex 31.1 Certification of Chief Financial Officer of the Company Required by Rule 13a-14(a) or Rule 15d-14(c) of the Exchange Act

