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EMAIL MORTGAGE COM INC

Form 10QSB

August 26, 2002

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

FORM 10QSB

FOR THE QUARTER ENDED JUNE 30, 2002  
COMMISSION FILE NUMBER 333-51058

EMAIL MORTGAGE.COM, INC.  
(Exact name of Registrant as specified in its charter)

Colorado 84-1565820  
(State or other jurisdiction of (I.R.S. Employer I.D.)  
incorporation or organization)

5650 Greenwood Plaza Boulevard, Suite 201,  
Greenwood Village, CO 80111  
Registrant's Telephone Number, including area code  
(303) 575-1155

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 twelve months,  
and (2) has been subject to such filing  
requirements for the past 90 days.

Yes  No

Indicate the number of shares outstanding of each  
of the issuer's classes of common stock, as of the  
close of the period covered by this report:  
2,250,000 shares.

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Email Mortgage.com, Inc.

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Part I Financial Information Page

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Email Mortgage.com, Inc.  
(A Development Stage Company)  
Balance Sheet  
June 30, 2002  
(Unaudited)

ASSETS		2002
Current assets:		
Cash	\$	123,449
Advances to shareholder and affiliate		27,000
		-----
Total current assets		150,449
		-----
	\$	150,449
		=====
STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$	2,276
		-----
Total current liabilities		2,276
Loans from related parties		2,580
Stockholders' equity:		
Preferred stock, \$.01 par value, 10,000,000 shares authorized, no shares issued and outstanding		-
Common stock, \$.001 par value, 100,000,000 shares authorized, 2,500,500 shares issued and outstanding		2,501
Additional paid in capital		255,649
(Deficit) accumulated during development stage		(112,557)

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 145,593  
 -----  
 \$ 150,449  
 =====

See accompanying notes to financial statements.

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Email Mortgage.com, Inc.  
 (A Development Stage Company)  
 Statements of Operations  
 Three Months Ended June 30, 2002 and 2001 and  
 For the Period From Inception (March 28, 2000)  
 to June 30, 2002  
 (Unaudited)

	Three Months Ended June 30,		Period From Inception To June 30, 2002
	2002	2001	
	-----	-----	-----
Revenue:			
Loan processing fees	\$ 1,100	\$ 1,100	\$ 4,350
Interest income	1,065	-	2,632
	-----	-----	-----
	2,165	1,100	6,982
Operating expenses:			
Loan processing costs	500	-	7,050
Professional fees	1,275	7,550	58,174
Consulting services	-	400	10,000
Web site design expenses	-	-	23,500
Rent	475	1,950	7,175
Other expenses	830	129	13,640
	-----	-----	-----
	3,080	10,029	119,539
	-----	-----	-----
(Loss from operations) and net (loss)	\$ (915)	\$ (8,929)	\$ (112,557)
	=====	=====	=====
Per share information:			
Basic and diluted (loss) per common share	\$ (0.00)	\$ (0.00)	\$ (0.05)
	=====	=====	=====
Weighted average shares outstanding	2,500,500	2,250,000	2,303,833
	=====	=====	=====

See accompanying notes to financial statements.

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Email Mortgage.com, Inc.  
 (A Development Stage Company)

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Statements of Cash Flows  
 Three Months Ended June 30, 2002 and 2001 and  
 For the Period From Inception (March 28, 2000)  
 to June 30, 2002  
 (Unaudited)

	Three Months Ended June 30,		Period From Inception To June 30, 2002
	2002	2001	
Net income (loss)	\$ (915)	\$ (8,929)	\$ (112,557)
Adjustments to reconcile net income to net cash provided by operating activities:			
Services provided for common stock	-	-	5,000
Expenses contributed to capital by shareholder	-	-	8,500
Changes in assets and liabilities:			
Increase in accounts payable	1,250	-	2,276
	1,250	-	15,776
Net cash provided by (used in) operating activities	335	(8,929)	(96,781)
Cash flows from financing activities:			
Common stock sold for cash	-	-	253,150
Repayment of related party loans	-	-	(67,745)
Advances to shareholder & affiliate	(20,000)	-	(42,000)
Repayment of affiliated company advances	-	-	15,000
Loans from related party	-	8,200	61,825
	(20,000)	8,200	220,230
Increase (decrease) in cash	(19,665)	(729)	123,449
Cash and cash equivalents, beginning of period	143,114	969	-
Cash and cash equivalents, end of period	\$ 123,449	\$ 240	\$ 123,449

See accompanying notes to financial statements.

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Email Mortgage.com, Inc.  
 Notes to Unaudited Financial Statements

Basis of presentation

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions incorporated in Regulation SB of the Securities and

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Exchange Commission. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments and accruals) considered necessary for a fair presentation have been included.

The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year. The accompanying financial statements should be read in conjunction with the Company's financial statements for the year ended March 31, 2002.

Basic loss per share was computed using the weighted average number of common shares outstanding.

During the quarter ended June 30, 2002, the Company loaned \$20,000 to a shareholder.

The Company had an outstanding advance balance due to a related party of \$2,580 and an outstanding advance to an affiliated company of \$7,000 at June 30, 2002.

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### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

**Trends and Uncertainties.** Demand for Email Mortgage's project will be dependent on, among other things, market acceptance of the Email Mortgage.com concept, the quality of its services, and general economic conditions, which are cyclical in nature. Inasmuch as a major portion of Email Mortgage's activities will be the receipt of revenues from our services, Email Mortgage's business operations may be adversely affected by Email Mortgage's competitors and prolonged recessionary periods.

**Capital and Source of Liquidity.** Prior to the recent offering, all of the initial working capital was obtained from the sale of common shares to the current officers, directors and principal shareholder (\$2,650) and loans from a related party of (\$70,325). We raised \$251,400 through the sale of common stock in our recent public offering. Email Mortgage may require additional loans to expand our current and strategic business plans. We do not have any funding arrangements with any

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third party or any affiliates, including the Clarkson Trust.

For the three months ended June 30, 2002, we made advances to a shareholder and affiliate of \$20,000 resulting in net cash used in financing activities of \$20,000.

For the three months ended June 30, 2001, we received loans from a related party of \$8,200 resulting in net cash provided by financing activities of \$8,200.

For the year ended March 31, 2002, we received proceeds from the sale of common stock of \$250,500, loans from a related party of \$10,400 and repaid \$67,745 in related party loans, made advances to affiliated company of \$22,000 and repaid affiliate advance of \$15,000 resulting in net cash provided by financing activities of \$186,155.

For the year ended March 31, 2001, we received loans from a related party of \$51,425 and sold common stock for cash of \$2,650 resulting in net cash provided by financing activities of \$54,075.

For the three months ended June 30, 2002 and 2001 and the year ended March 31, 2002 and 2001, we did not pursue any investing activities.

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On a long-term basis, liquidity is dependent on continuation and expansion of operation and receipt of revenues, additional infusions of capital, and debt financing. Email Mortgage believes that The proceeds received from its recent public offering will allow Email Mortgage to increase its marketing and sales efforts and thereafter result in revenue and greater liquidity in the long term. However, there can be no assurance that Email Mortgage will be able to obtain additional equity or debt financing in the future, if at all.

Results of Operations. Since inception, Email Mortgage has not received any significant revenues from operations. For the three months ended June 30, 2002, we received revenue of only \$1,100 from loan processing fees. We had a net loss of \$915 for the three months ended June 30, 2002. Operating expenses for that same period were \$3,080 consisting of loan processing costs of \$500, professional fees of \$1,275, rent of \$475 and other expenses of \$830.

For the three months ended June 30, 2001, we received revenue of only \$1,100 from loan processing fees. We had a net loss of \$9,008 for the three months ended June 30, 2001. Operating expenses for that same period were \$10,108 consisting of loan processing costs of \$400, professional fees of \$7,550, rent of \$1,950 and

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other expenses of \$208.

For the year ended March 31, 2002, we received revenue of only \$1,750 from loan processing fees. We had a net loss of \$45,036 for the year ended March 31, 2002. Operating expenses for that same period were \$33,353 consisting of loan processing costs of \$750, professional fees of \$43,349, rent of \$3,250 and other expenses of \$1,004.

For the year ended March 31, 2001, we received revenue of \$1,500. We had a net loss of \$68,106 for the year ended March 31, 2001. Operating expenses for that same period were loan processing costs of \$5,800, professional fees of \$13,550, consulting services of \$10,000, web site design expenses of \$23,500, rent of \$3,450 and other expenses of \$11,806.

Plan of Operation. Email Mortgage is in the development stage and has not conducted any significant operations to date or received significant operating revenues. Email Mortgage can satisfy our cash requirements in the next twelve

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months with the proceeds from the current offering. We will not need to conduct any research and development regarding our business plan.

We do not expect to purchase any plant or significant equipment.

We agreed to pay Email RealEstate, an affiliate, beginning January 1, 2001, \$20 per month per realtor that has a website on Email RealEstate that includes a hotlink to EmailMortgage. If we do not have sufficient funds to cover these payments, we may have to use some of the proceeds of the current offering or obtain additional financing through debt or equity.

Email Mortgage may experience problems; delays, expenses, and difficulties sometimes encountered by an enterprise in Email Mortgage's stage of development, many of which are beyond Email Mortgage's control. These include, but are not limited to, unanticipated problems relating to the development of the system, manufacturing costs, production and marketing problems, additional costs and expenses that may exceed current estimates, and competition.

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Signatures

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Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 22, 2002

By: /s/ Dianne VandenBurg  
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Dianne VandenBurg  
President