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BAUER PARTNERSHIP INC
Form 10KSB/A
April 24, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-KSB/A
Amendment No. 1

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

FOR THE FISCAL YEAR ENDED December 31, 2002

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 0-27323

HARBOUR FRONT HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Nevada	88-0429812
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

(Registrant's address and telephone number of principal executive offices
and principal place of business)

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, par value \$.001

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 ☒

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405
of Regulation S-K is not contained herein, and will not 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-K or any amendment to this
Form 10-K. ☐

Indicate the number of shares outstanding of each of the issuer's classes of
common stock, as of the latest practicable date.

Title	196,533,894 Shares Outstanding as of April 11, 2003
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Common Stock, par value \$.001

As of April 14, 2003, the aggregate market value of the voting stock held by

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non-affiliates of the registrant, based on the closing price on that date, was approximately \$1,640,000.

HARBOUR FRONT HOLDINGS, INC. FORM 10-KSB FOR THE YEAR ENDED DECEMBER 31, 2001

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PART I

CAUTIONARY STATEMENT. Statements contained herein that are not based on historical fact, including without limitation, statements containing the words "believes," "may," "will," "estimate," "continue," "anticipates," "intends," "expects" and words of similar import, constitute "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, both nationally and in the regions in which Harbour Front Holdings, Inc. ("us" or "Harbour")

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operates; competition; changes in our business strategy or development plans; our ability to attract capital for development; the ability to attract and retain qualified personnel; existing governmental regulations and changes in, or the failure to comply with, governmental regulations; liability and other claims asserted against us; and other factors referenced in our filings with the Securities and Exchange Commission.

GIVEN THESE UNCERTAINTIES, READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON SUCH FORWARD-LOOKING STATEMENTS.

We disclaim any obligation to update information concerning any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained in this report to reflect future results, events or developments.

ITEM 1: BUSINESS

GENERAL

Overview and History

Harbour Front Holdings, Inc. ("Harbour" or the "Company"), a Nevada corporation incorporated on May 28, 1999, as Finders Keepers, Inc. ("Finders Keepers") with a principal business objective to provide unclaimed property location services to the public and to leading corporations. Finders Keepers sought to assist clients in obtaining information regarding lost or forgotten estates, unclaimed assets and/or financial belongings anywhere within the United States. Finders Keepers attempted to locate assets that escheated to the state or to the federal government or governmental agencies. These assets included monies derived from uncashed checks, dormant savings and checking accounts, lost or forgotten stocks and dividends, unclaimed certificates of deposit ("CDs"), forgotten safe deposit boxes and various other unclaimed assets. Finders Keepers then tried to locate the rightful owners or an entitled beneficiary. Upon locating the entitled person or entity, Finders Keepers completed the necessary paperwork to have these assets released for a "finders fee".

In December 2001, The Bauer Partnership, Inc., a Delaware corporation ("Bauer Delaware") entered into a reverse merger with Finders Keepers whereby Finders Keepers issued 31,030,800 shares of its common stock for 100% of the issued and outstanding shares of Bauer Delaware. Bauer Delaware became a wholly-owned subsidiary of Finders Keepers which changed its name to The Bauer Partnership, Inc. The Company changed its name to Harbour Front Holdings, Inc. in January 2003.

From March 2001 through December 2001, Bauer Delaware was engaged in providing investment banking services to United States publicly traded companies seeking financing in the range of \$5 million to \$20 million who were unable to secure large underwriters or who wished to attract a global span of investors to their corporations. Harbour introduced and evaluated the potential success and placement of these corporations and their securities. Bauer Delaware introduced its client companies to small to medium brokerage firms who had a wide client base, fund managers, private pension funds, small to mid-sized banks and insurance companies. In connection with the introduction of its client companies to various financing sources, Bauer Delaware and/or the Company or one of its subsidiaries received warrants to purchase shares of the client companies as well as a percentage of any fees raised by the client companies through an introduction by Bauer Delaware.

Our operations have resulted in limited revenues to date. During fiscal year 2001, the Company entered into investment banking agreements with several NASDAQ listed companies and with several OTC Bulletin Board companies to introduce these companies to possible financing sources. In connection with these

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agreements the Company received warrants to purchase shares of stock in such companies as well as a percentage of any funds raised through an introduction of the Company. In connection with the investment banking agreements, the Company typically facilitated a road show whereby the client companies met with potential financing sources in Europe, Asia and the Middle East. Some of the client companies are still in discussions with financing sources introduced by the Company and the Company may receive cash compensation in the future from such introductions.

In December 2001, Bauer Delaware changed its business strategy to specialize in acquiring cash flow positive commercial real estate assets on a global basis. The Company's strategy was to utilize its listed equity to acquire existing hotel and commercial real estate assets to add significant increases in revenue and net asset value to its financial position. Bauer Delaware believed it would fill a unique position in the market place by offering the ability to structure and finance sophisticated transactions in various geographies worldwide.

Windjammer Resort & Spa

In January 2002, the Company and one of its wholly-owned subsidiaries entered into a Share and Asset Purchase Agreement to acquire the Windjammer Resort & Spa in St. Lucia, British West Indies. The acquisition price was \$30,000,000 and was comprised of \$18 million in cash and \$12,000,000 in the form of a convertible debenture bearing interest at 8% per year which was convertible into Company common stock at \$1.80 per share based on specified criteria in the agreement. In connection with this agreement, the Company made non-refundable payments of \$200,000 towards the purchase price and owed \$17.8 million by May 1, 2002, unless the Company was granted an extension. The Company was unable to obtain the necessary financing and lost its non-refundable payment of \$200,000.

Sale of Subsidiary

In January 2002, the Company sold its wholly-owned subsidiary, The Bauer Partnership, Limited to a third party for a nominal amount. The buyer assumed all leases and employment agreements of the subsidiary.

Loan Agreement with Ocean Strategic Holdings Ltd. and Turbo International Ltd.

In March 2002, the Company entered into a loan agreement with Ocean Strategic Holdings Ltd. and Turbo International Ltd. whereby the Company received a 90 day loan of \$500,000 based on the following: (1) \$150,000 upon execution and delivery of the loan agreement, less \$10,000 to be paid to the lenders' attorneys; (2) \$50,000 upon the lenders' and/or the Company's receipt of all of the transaction documents duly executed and delivered pursuant to the loan agreement, less \$5,000 to be paid to the lenders' attorneys; (3) 100,000 upon the Company's filing of its annual report on Form 10-K for the year ended December 31, 2001 and amendment to its current report on Form 8-K dated December 5, 2001 containing all of the financial statements to be filed in connection there with, less any expenses to be paid to lenders' attorneys; and (4) \$200,000 upon the lenders receipt of a copy of a written loan commitment to the Company from a reputable lending institution approved by the lenders, which approval shall not be unreasonably withheld, for no less than \$18,000,000, less \$5,000 to be paid to lenders' attorneys. The Company was unable to receive a loan commitment in the amount of \$18,000,000 and received an aggregate of \$240,000 in connection with this loan.

In connection with the loan agreement, the lenders received a 10% interest in

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the outstanding stock of The Bauer Windjammer Resort and Spa (Bahamas) Ltd., a wholly-owned subsidiary of Bauer Capital Management, Limited which is a wholly-owned subsidiary of the Company. In addition, the lenders received an aggregate of three year redeemable warrants to purchase 3,000,000 shares, subject to adjustment as provided in the agreement, at an exercise price of \$.20 per share. Ronald J. Bauer, our chief executive officer, pledged 17,312,500 shares of Company common stock held in the name of Fleming Financial Holdings, Ltd. pursuant to a pledge and security agreement. In the event the loan is not repaid in its entirety within 120 days from the date the loan agreement was executed, the loans may be converted into 50,000,000 shares of Company common stock which may result in a change of control of the Company. The lenders have the right to loan up to \$500,000 in four separate transactions under substantially the same terms and conditions as the loan agreement. In addition, the lenders have a first right of refusal to provide financing to the Company in future financings.

We have made payments to Ocean Strategic Holdings Ltd. and Turbo International Ltd. of approximately \$190,000 to date, but we owe an additional \$60,000 plus interest and penalties. We are currently late with respect to principal, interest and penalty payments. If we do not repay these amounts under acceptable terms to Ocean Strategic Holdings and Turbo International, the operations of the Company will likely be discontinued and current management will likely be removed from office.

Various Letters of Intent and Transactions

The Company entered into a variety of letters of intent throughout the year ended December 31, 2002, most of which did not result in the execution of definitive agreements.

In June 2002, the Company through a subsidiary, entered into a letter of intent with Flint River Farms Limited to acquire 600 acres of land. This agreement was never finalized.

The Company, through one of its subsidiaries, negotiated to construct 31 luxury villas at Tryall Club in Montego Bay, Jamaica. This transaction was never finalized.

In November 2002, the Company entered into an agreement with Tropical Resources SA of Panama to develop and market a reforestation project. The Company formed a wholly-owned subsidiary Bauer Forestry Corp. to manage the new development project and to market the forest land. Bauer Forestry is entitled to receive 20% of all sales originated through its introduction. The website address of www.panama-forest.com is fully operational. There have been inquiries but no sales to date.

In December 2002, the Company acquired a 33.3% of F3 Fitness, LLC, the owner of a nutritional supplement. After entering into this agreement, F3 Fitness had a change in ownership of the remaining 66.7% membership interest. The Company has established a web site, paid for the establishment of a call center, and paid for a marketing campaign. Pursuant to the agreement, the Company was going to issue 1,000,000 shares of its common stock and pay \$200,000 for marketing services over a six month period. Various things were supposed to happen which have not occurred to date and the Company does not feel that it should issue the shares. The registrant continues to run the web site. The call center has been put on hold and F3 Fitness is relying exclusively on Internet sales. Although F3 Fitness has begun generating revenues, it has become clear that the revenue and earnings projections that the Company previously expected to receive from this relationship will not be met. On April 7, 2003, Jerome J.C Ferez, the manager of F3 Fitness resigned. The Company does not believe the resignation of Mr. Ferez will have a material impact on the operations of F3 Fitness.

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In December 2002, the Company acquired 33.3% of Caviar Universe LLC, a company selling gourmet products online. The Company established a web-site and a call center and paid for a marketing campaign. As Caviar Universe LLC is a start-up company, it has only recently begun to generate revenues. The call center has been put on hold and Caviar Universe is relying exclusively on Internet sales. It has become evident that the revenue and earnings projections that the Company previously expected to receive from this relationship will not be met.

In December 2002, the Company announced that it had acquired \$30,000,000 in non-performing debt. As of this date, EH&P Investments AG has only acquired \$6,000,000 in non-performing debt and the Company has yielded no revenues from such non-performing debt. The Company had agreed to issue 10,000,000 shares of its common stock in consideration for the \$30,000,000 in non-performing debt. The Company does not expect to issue any shares of common stock and does not expect to generate any revenues from this relationship. It has become clear that the earning projections previously believed to result from this relationship will not be met.

The Company entered into a letter of intent to acquire 100% of Wimbledon Unreal Grass. This agreement was never finalized as the Company chose not to proceed with the transaction. Therefore, the registrant will not receive any economic benefit from Wimbledon Unreal Grass.

In January 2003, the Company and Urbani Holdings, Inc. agreed to enter into a Joint Venture agreement to form "da Rosario LLC" to market gourmet products under the brand name "da Rosario." The companies expect to establish a web site to sell the gourmet products with the Company providing the following services to the joint venture: (1) marketing, (2) financing the design, hosting and maintenance of the "da Rosario" web site, (3) establishing of joint merchant account and (4) financing of a call center for the initial launch period. The agreement calls for a 40% membership interest for the Company and a 60% membership interest for Urbani Holdings, Inc. Urbani Holdings has had significant revenues from its operations. It is expected that the web site will be operational in the second quarter of 2003. The Company previously stated revenue expectations in a press release dated January 31, 2003, which revenues may be overstated as this will be a newly formed joint venture relating to Internet sales.

ITEM 2. PROPERTIES

We have use of an office at 300 Park Avenue, Suite 1700, New York, New York for \$1,000.00 per month on a month to month basis.

ITEM 3. LEGAL PROCEEDINGS

In January 2003, Zaven Yaralian filed suit against the Company, Ronald J. Bauer and Jacques Fischer in the State of South Carolina, County of Beaufort, in the Circuit Court, Case No. 03-CP-7-81. Zaven Yaralian entered into a consulting agreement with the Company to serve as its President and executed a subscription agreement for the purchase of 2,000,000 shares of common stock in installments of \$50,000 for 400,000 shares of common stock. Pursuant to the consulting agreement, Mr. Yaralian was to receive \$10,000 per month for the first three months of the agreement and then receive \$20,000 per month. The Company issued Mr. Yaralian 400,000 shares in consideration for \$50,000, and paid Mr. Yaralian \$10,000 for the first month of services to be preformed pursuant to the terms of the consulting agreement. Mr. Yaralian's primary cause of action is breach of contract and he is seeking damages pursuant to the consulting agreement. Due to Mr. Yaralian's failure to provide services, the Company does not believe it has any obligations and it is vigorously defending this claim.

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In February 2003, a lawsuit for breach of contract for attorneys fees was filed styled as Richard O. Weed vs. Harbour Front Holdings, Inc., The Bauer Partnership, Inc., The Bauer Partnership, Ltd., Ronald J. Bauer, and DOES 1 through 25 in the Superior Court of the State of California in Orange County, Case No. 03CC03810. Mr. Weed is seeking damages of \$41,239.06, plus interest and attorneys fees. The Company does not believe it owes Mr. Weed for services performed in the amount of \$41,239.06. The Company has retained counsel and is vigorously defending this claim.

In February 2003, a lawsuit for damages based on fraud and securities violations was filed styled as Richard O. Weed vs. Harbour Front Holdings, Inc., The Bauer Partnership, Inc., The Bauer Partnership, Ltd., Ronald J. Bauer, David M. Loev, F. Bryson Farrill, Jacques Fischer, Joseph T. Bauer, Ed Tobin, Geoffrey Button, Kevin Wallace, Pacific Stock Transfer Company, Malone & Bailey, PLLC and DOES 1 through 25 in the Superior Court of the State of California in Orange County, Case No. 0300003887. Mr. Weed is the owner of 150,000 shares of the Company's common stock and he alleges that the market value of his shares has dropped dramatically. Mr. Weed alleges a violation of Section 16(b) of the Securities Exchange Act of 1934 seeking short-swing profits from Ronald J. Bauer. Mr. Weed also seeks damages for a hot check in the amount of \$4,310. Mr. Weed is seeking \$1,123,500 for his first cause of action, return of short swing profits for his second cause of action, and \$4,310 on his third cause of action. Mr. Weed is also seeking prejudgment interest, costs and reasonable attorneys fees. The Company has retained counsel and is vigorously defending these causes of action. Mr. Weed received the 150,000 shares of stock in consideration for services performed and the Company believes that it will settle this claim for a substantially reduced amount.

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

No matter was submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders, through the solicitation of proxies or otherwise.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our common stock is traded in the Over-the-counter market and is quoted on the electronic Bulletin Board under the symbol "HBRF", traded under the symbol "BUER" from January 2002 to January 2003 and traded under the symbol "FDKP" until the last quarter of 2001. Our common stock was cleared for trading on the OTCBB on March 3, 2000 and began formal trading on March 7, 2000. The following table sets forth the high and low price for our common stock on the OTCBB. The following table represents the range of the high and low bid prices of our stock as reported by the NASDAQ Trading and Market Services for each fiscal quarter for the last two fiscal years ending December 31, 2001 and 2002, respectively. These quotations represent prices between dealers, may not include retail markups, markdowns, or commissions, and may not necessarily represent actual transactions.

Year	Quarter	High	Low
2001	First Quarter	\$5.00	\$1.649
	Second Quarter	\$5.997	\$1.4999
	Third Quarter	\$3.00	\$1.0649
	Fourth Quarter	\$3.00	\$1.10
2002	First Quarter	\$7.50	\$1.35
	Second Quarter	\$2.85	\$.90
	Third Quarter	\$1.20	\$.80
	Fourth Quarter	\$1.05	\$.04

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HOLDERS

As of April 11, 2003 there were 92 stockholders of record of our common stock.

DIVIDEND POLICY

We have not paid cash dividends on our common stock and do not intend to pay any cash dividends in the foreseeable future.

We have authorized a total of 200,000,000 shares of our common stock, \$0.001 par value per share. As of April 11, 2003, we had a total of 196,533,894 shares of our common stock issued and outstanding. We have also authorized 25,000,000 shares of preferred stock, \$.001 par value, but none of them are issued and outstanding. Management controls approximately 12% of our outstanding shares.

Dividends

We have not declared dividends on our common stock and do not anticipate paying dividends on our common stock in the foreseeable future.

Private Equity Transactions.

On May 31, 1999, the Company issued 70,000,000 shares of its \$0.001 par value common stock for cash of \$8,510 to its one director.

On September 2, 1999, the Company completed an offering that was registered with the State of Nevada pursuant to NRS 90.490 and was exempt from federal registration pursuant to a Regulation D, Rule 504 of the Securities Act of 1933, as amended. The Company sold 8,908,200 shares of its \$0.001 par value common stock at a price of \$0.10 per share for total cash of \$63,630. In addition, the Company issued 1,972,712 shares of its \$0.001 par value common stock for services valued at \$0.10 per share for a total of \$14,091.

On March 24, 2000, the Company effected a 2-for-1 stock split of its \$0.001 par value common stock, increasing the number of shares issued and outstanding from 5,777,208 shares to 11,554,416 shares.

On July 27, 2000 the Company's Board of Directors approved a 7 for 1 forward stock split of its common shares. The Company's Certificate of Incorporation has been amended to increase the authorized capital stock of the Company to 200,000,000 shares, all of which will be common stock. The record date for the forward split was Monday, August 7, 2000 with a distribution date of August 9, 2000.

In December 2001, the Company issued 31,030,800 shares of its common stock for 100% of the common stock of The Bauer Partnership, Inc., a Delaware corporation. We believe the transaction was exempt from registration pursuant to Section 4(2) of the Securities Act as the transaction was non-recurring and all of the United States shareholders were accredited investors.

In December 2001, the Company issued 750,000 shares of its common stock to several individuals and an entity in consideration for services rendered in connection with the Company's reorganization. We believe the transaction was exempt from registration pursuant to Section 4(2) of the Securities Act, as the recipients had sufficient knowledge and experience in financial and business matters, and since the transactions were non-recurring and privately negotiated.

In December 2001, the Company issued 5,000,000 shares of its common stock to several entities in consideration for consulting services rendered. We believe

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the transactions were exempt from registration pursuant to Section 4(2) of the Securities Act, as the recipients had sufficient knowledge and experience in financial and business matters, and since the transactions were non-recurring and privately negotiated.

In March 2002, we issued 53,000,000 shares of common stock as collateral to Ocean Strategic Holdings and Turbo International in connection with a loan agreement. We believe the transaction was exempt from registration pursuant to Section 4(2) of the Securities Act, as the recipients had sufficient knowledge and experience in financial and business matters, and since the transactions were non-recurring and privately negotiated.

In April 2002, the Company issued 200,000 shares of its common stock to two entities in consideration for consulting services rendered. We believe the transactions were exempt from registration pursuant to Section 4(2) of the Securities Act, as the recipients had sufficient knowledge and experience in financial and business matters, and since the transactions were non-recurring and privately negotiated.

In May 2002, the Company issued 500,000 shares of common stock to an individual in consideration for \$80,000. We believe the transaction was exempt from registration pursuant to Section 4(2) of the Securities Act, as the recipient had sufficient knowledge and experience in financial and business matters, and since the transaction was non-recurring and privately negotiated.

In May 2002, we issued an aggregate of 1,066,667 shares of common stock to Fleming Financial Holdings, of which Ronald J. Bauer is the beneficial owner, and to Ronald J. Bauer in consideration for the conversion of \$320,000 of debt into equity. We believe the transaction was exempt from registration pursuant to Section 4(2) of the Securities Act, as the recipients had sufficient knowledge and experience in financial and business matters, and since the transactions were non-recurring and privately negotiated.

In July 2002, the Company issued 400,000 shares of common stock to an individual in consideration for \$50,000. We believe the transaction was exempt from registration pursuant to Section 4(2) of the Securities Act, as the recipient had sufficient knowledge and experience in financial and business matters, and since the transaction was non-recurring and privately negotiated.

In July 2002, the Company issued 25,000 shares of common stock to an entity in consideration for consulting services rendered. We believe the transaction was exempt from registration pursuant to Section 4(2) of the Securities Act, as the recipient had sufficient knowledge and experience in financial and business matters, and since the transaction was non-recurring and privately negotiated.

In August 2002, we issued 68,000 shares of common stock to an individual in connection with services rendered to the Company. We believe the transaction was exempt from registration pursuant to Section 4(2) of the Securities Act, as the recipient had sufficient knowledge and experience in financial and business matters, and since the transaction was non-recurring and privately negotiated.

In August 2002, we issued an aggregate of 5,000,000 shares of common stock to three individuals in consideration for \$250,000. We believe the transaction was exempt from registration pursuant to Section 4(2) of the Securities Act, as the recipients had sufficient knowledge and experience in financial and business matters, and since the transactions were non-recurring and privately negotiated.

In December 2002, we issued an individual and an entity an aggregate of 700,000 shares of common stock in consideration for consulting services rendered. We believe the transaction was exempt from registration pursuant to Section 4(2) of

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the Securities Act, as the recipients had sufficient knowledge and experience in financial and business matters, and since the transactions were non-recurring and privately negotiated.

In February 2003, we issued an aggregate of 10,000,000 shares of our common stock to three entities in consideration for \$200,000. We believe the transactions were exempt from registration pursuant to Section 4(2) of the Securities Act, as the recipients had sufficient knowledge and experience in financial and business matters, and since the transactions were non-recurring and privately negotiated.

In February 2003, the Company issued Ronald J. Bauer 3,300,000 shares of Company common stock in consideration for the payment of accrued salary of \$60,000. We believe the transaction was exempt from registration pursuant to Section 4(2) of the Securities Act, as the recipient had sufficient knowledge and experience in financial and business matters, and since the transaction was non-recurring and privately negotiated.

In February 2003, the Company issued 27,500,000 shares of Company common stock to Dr. Jacques Fischer in consideration for forgiveness of a loan in the amount of \$500,000. We believe the transaction was exempt from registration pursuant to Section 4(2) of the Securities Act, as the recipient had sufficient knowledge and experience in financial and business matters, and since the transaction was non-recurring and privately negotiated.

In February 2003, the Company issued 1,000,000 shares of Company common stock to an entity in consideration for services rendered. We believe the transaction was exempt from registration pursuant to Section 4(2) of the Securities Act, as the recipient had sufficient knowledge and experience in financial and business matters, and since the transaction was non-recurring and privately negotiated.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY STATEMENT. Statements contained or incorporated by reference in this document that are not based on historical fact are "forward-looking statements". Forward-looking statements may be identified by use of forward-looking terminology such as "believe", "intends", "may", "will", "expects", "estimate", "anticipate", "continue", or similar terms, variations of those terms or the negative of those terms.

Overview

The Company's business strategy is to utilize its common stock to acquire existing hotel and commercial real estate assets. The Company did not implement this business strategy until December 31, 2001. Prior thereto, the Company was engaged in providing investment banking services to United States publicly traded companies seeking financing in the range of \$5 million to \$20 million.

Revenues

For the year ended December 31, 2002, the Company had \$0 in revenues. For the period from March 23, 2001 (inception) through December 31, 2001, the Company had revenues of \$148,164 from the receipt of warrants in connection with investment banking services. The decrease in revenues is due to the Company's lack of operations.

Costs and Expenses

For the year ended December 31, 2002, the Company's costs and expenses were \$2,878,515, a decrease of \$1,843,556 from the period from March 23, 2001 (inception) through December 31, 2001. The Company's salaries and benefits

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decreased from \$764,258 for the period from March 23, 2001 (inception) through December 31, 2001 to \$169,500 for the year ended December 31, 2002. Rent decreased from \$227,316 for the period from March 23, 2001 (inception) through December 31, 2001 to \$21,000 for the year ended December 31, 2002. Other general and administrative expenses were \$3,719,824 for the period from March 23, 2001 (inception) through December 31, 2001 as compared to \$2,688,015 for the year ended December 31, 2002. Other general and administrative expenses includes payment of professional fees, issuance of stock to consultants, travel, and entertainment and printing costs.

Loss from Operations

The Company had a loss from operations of \$2,878,515 for the year ended December 31, 2002, as compared to a loss from operations of \$4,620,874 for the period from March 23, 2001 (inception) through December 31, 2001.

Net Loss Per Share

The Company had a net loss per share of \$.06 for the year ended December 31, 2002, as compared to a net loss of \$.15 per share for the period from March 23, 2001 (inception) through December 31, 2001.

Liquidity and Capital Resources

For the year ended December 31, 2002 the Company produced \$0 in revenues. For the year ended December 31, 2001, the Company did not generate cash flow from its operations which exceeding operating costs. As a result, the Company will require additional working capital to develop its business until the Company either achieves a level of revenues adequate to generate sufficient cash flows from operations or obtains additional financing necessary to support its working capital requirements.

During 2002, the Company raised \$380,000 from the issuance of 5,900,000 shares of stock. During 2002, the Company issued 1,066,667 shares of common stock in consideration for debt conversion of \$522,500. The Company borrowed \$685,500 during the year ended December 31, 2002. At December 31, 2002, the Company had shareholder advances of \$407,552. Between July and November 2001, the Company raised \$669,100 from the sale of 1,098,800 shares of common stock. The Company borrowed \$1,006,500 from various individuals, an entity and a financial institution during 2001. These loans bear interest ranging from 3.875% to 12% and all of these amounts remain outstanding. In 2001, the Company also received an advance from Ronald J. Bauer, the Company's Chief Executive Officer, in the amount of \$27,135.

As of December 31, 2002, the Company did not have any assets as of December 31, 2002, and had a working capital deficit of 1,266,274. As of December 31, 2001, the Company had cash of \$3,882, accounts receivable of \$5,845, a VAT refund of \$168,823 and a working capital deficit of \$1,835,519.

The Company is taking steps to raise equity capital or to borrow additional funds. There can be no assurance that any new capital will be available to the Company or that adequate funds for the Company's operations, whether from the Company's revenues, financial markets, or other arrangements will be available when needed or on terms satisfactory to the Company. The Company has no further commitments from officers, directors or affiliates to provide funding. The failure of the Company to obtain adequate additional financing may require the Company to delay, curtail or scale back some or all of its operations. Any additional financing may involve dilution to the Company's then-existing shareholders. The Company is also identifying merger and/or acquisition candidates and as of April 16, 2003, the Company has not identified such a candidate. Ronald J. Bauer, the Company's Chief Executive Officer has been advancing the Company capital since December 2002, but he has no commitment to do so.

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Risk Factors.

Failure to Repay Loan May Result in Change of Control. If we are unable to repay the loan due to Ocean Strategic Holdings Ltd. and Turbo International Ltd., the loans are automatically converted into 50,000,000 shares of our common stock resulting in a change of control. We have made payments to Ocean Strategic Holdings Ltd. and Turbo International Ltd. of approximately \$190,000 to date, but we owe an additional \$60,000 plus interest and penalties. We are currently late with respect to principal, interest and penalty payments. If we do not repay these amounts under acceptable terms to Ocean Strategic Holdings and Turbo International, the operations of the Company will likely be discontinued and current management will likely be removed from office.

Dependence Upon External Financing. It is imperative that we raise capital to stay in business. If we are unable to obtain debt and/or equity financing upon terms that our management deems sufficiently favorable, or at all, it would have a materially adverse impact upon our ability to pursue our business strategy and maintain our current operations.

Risk That We May Be Forced Into Bankruptcy. In the event the Company is unable to raise additional capital or find a merger partner or acquisition candidate, the Company may be forced to seek bankruptcy protection.

Reliance on Key Management. Our success is highly dependent upon the continued services of Ronald J. Bauer, our CEO, who has been the primary person responsible for the direction of the Company. If Mr. Bauer were to leave us, it could have a materially adverse effect upon our business and operations. Mr. Bauer's employment agreement has expired and Mr. Bauer is no longer receiving a salary from the Company. As such, Mr. Bauer is seeking to provide consulting services to other businesses and entities.

Risk that the Securities and Exchange Commission Takes the Position that the Company is Deficient in its Filings. The Company received a comment letter from the SEC relating to the Company's compliance with the applicable disclosure requirements. The Company responded to the SEC's comments and filed a report on Form 8-K on March 10, 2003 updating and correcting previous disclosures. In the event the SEC is not satisfied that the Company is current in its filings, this may result in increased expenses to the Company as well as other potential liabilities.

Risk that We Are Unable to Issue Additional Shares. We are authorized to issue 200,000,000 shares of common stock. As of April 11, 2003, we had 196,533,894 shares of common stock outstanding. If we are unable to obtain majority stockholder vote, we will be unable to amend our articles of incorporation to increase the number of authorized shares or affect a reverse stock split and reauthorize the number of shares of common stock that can be issued. If we are unable to increase our number of authorized shares, we will not be able to issue common stock for additional capital, merger or acquisition candidates, or for consulting services. In the event the Company is unable to obtain shareholder approval, this will likely have a significant impact on the Company.

Our Auditors Have Expressed Substantial Doubt About Our Ability to Continue As a Going Concern. Malone & Bailey, PLLC, in their independent auditors' report, have expressed "substantial doubt" as to our ability to continue as a going concern based on operating losses we have incurred since inception. Our financial statements do not include any adjustments that might result from the outcome of that uncertainty. The going concern qualification is also described in Note 2 of the notes to our financial statements.

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ITEM 7: FINANCIAL STATEMENTS

The audited financial statements, together with the independent accountants report thereon of Malone & Bailey, PLLC appears herein. See financial statements beginning on pages F-1 of this report.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On February 12, 2002, the client-auditor relationship between The Bauer Partnership, Inc., formerly Finders Keepers (the "Company") and Bierwolf, Nilson & Associates ("Bierwolf") ceased as Bierwolf was dismissed as the Company's auditor.

To the knowledge of the Company's current Board of Directors, Bierwolf's report of the financial statements of the Registrant for the period from April 2001 through June 2001 and any related interim period did not contain any adverse opinion or disclaimer of opinion and was not qualified or modified as to uncertainty, audit scope or accounting principles.

During the review of the Company's financial statements for the period from April 2001 through June 2001 and any subsequent interim period through the date of dismissal, Bierwolf did not have any disagreements with the Company on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

On August 13, 2001, the Registrant changed accountants from Stark Tinter Associates LLC to Bierwolf, Nilson & Associates.

The Company decided not to reappoint Stark Tinter & Associates, LLC as its independent accountant.

The financial statements reported on by Stark Tinter & Associates LLC were not subject to an adverse or qualified opinion, or a disclaimer of opinion and were not modified as to uncertainty, audit scope or accounting principles during the past two fiscal years, and the interim periods through August 13, 2001 except that the opinion for the year ended December 31, 2000 contained a going concern paragraph;

The decision to change accountants was approved by the Registrant's Board of Directors; and

There were no disagreements related to accounting principles or practices auditing scope or procedure during the past two fiscal years and the interim period through August 13, 2001.

On February 6, 2002, the Registrant engaged Malone & Bailey PLLC as its independent accountants for the fiscal year ended December 31, 2001. During the most recent fiscal year and any subsequent interim period prior to engaging Malone & Bailey, the Company did not consult with Malone & Bailey regarding either (i) the application of accounting principals to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Company's financial statements; or (ii) any matter that was either the subject matter of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a reportable event (as defined in Item 304(a)(1)(v) of Regulation S-K). Malone & Bailey, PLLC has reviewed the disclosure required by Item 304(a) before it was filed with the Commission and has been provided an opportunity to furnish the Company with a letter addressed to the Commission containing any new information, clarification of the Company's

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expression of its views, or the respects in which it does not agree with the statements made by the Company in response to Item 304(a). Malone & Bailey PLLC did not furnish a letter to the Commission.

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The names, ages and positions of the directors and executive officers of Bauer are set forth below. Biographical information for each of these persons is also presented below. Our executive officers are appointed by our Board of Directors and serve at its discretion.

Directors and Officers.

Name	Age	Position Held
----	---	-----
Ronald J. Bauer	28	Chief Executive Officer and Director

RONALD J. BAUER, CHIEF EXECUTIVE OFFICER, FOUNDER AND DIRECTOR - Mr. Bauer is the Chief Executive Officer and founder of the Company and is responsible for the management of the Company. Mr. Bauer has over 6 years experience in financial services. He has been involved aggressively in the structuring of sophisticated financial transactions. He has planned creative debt and equity structures for private and public companies.

In January 2003, Dr. Jacques Fischer, Joseph T. Bauer and F. Bryson Farrill Resigned as Company directors.

Section 16(a) of the Securities Exchange Act of 1934 requires the Company' directors and executive officers, and persons who own more than ten percent of a registered class of the Company's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. Officers, directors and greater than ten-percent stockholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file. During the fiscal year ended December 31, 2002, the Company does not believe its officers, directors and greater then ten percent beneficial owners complied with all Section 16(a) filing requirements.

ITEM 10. EXECUTIVE COMPENSATION

The following table is a summary of annual compensation paid to the Company's executives during the two fiscal years ended December 31, 2002 and December 31, 2001.

Name and Principal Position at 12/31/02	Year	Salary	Bonus	Other Annual Allowance
-----	---	-----	-----	-----
Ronald J. Bauer	2002	\$150,000		\$50,000
Chief Executive Officer	2001	139,715	None	\$55,000

Our directors are reimbursed for reasonable expenses incurred in connection with attendance at meetings of the Board and of Committees of the Board; however, they do not receive any additional compensation for their services as directors. Accordingly, it may be necessary for us to compensate newly appointed directors in order to attract a quality governance team. At this time the Company has not identified any specific individuals or candidates nor has it entered into any

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negotiations or activities in this regard.

EMPLOYMENT AGREEMENTS

None.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of April 11, 2003, information regarding the beneficial ownership of shares of Common Stock by each person known by us to own five percent or more of the outstanding shares of Common Stock, by each of our Officers, by each of our Directors, and by our Officers and Directors as a group. On April 11, 2003 there were 196,533,894 shares issued and outstanding of record.

Name and Address of Beneficial Owners -----	Shares of Common Stock -----	Percentage as of April 11, 2002 -----
Ronald J. Bauer (1) (2)	24,179,167	12.3%
Dr. Jacques Fischer(1)	31,750,000	16.2%
Ocean Strategic Holdings Ltd. (3)	63,281,250	32.2%
All Executive Officers and Directors As a group (1 person)	24,179,167	12.3%