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WASTE CONVERSION SYSTEMS INC
Form 10QSB
May 23, 2002

U.S. Securities and Exchange Commission
Washington, D.C. 20549

X FORM 10-QSB (Mark One) QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE
--- SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ending March 31, 2002

--- TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934
For the transition period from _____ to _____

Commission file number 33-58972

WASTE CONVERSION SYSTEMS, INC.

(Name of Small Business Issuer in its Charter)

NEVADA

22-2800078

(State of Incorporation)

(IRS Employer Identification No.)

18505 Highway 377 South, Fort Worth, TX

76126

(Address of principal executive offices)

(Zip Code)

Issuer's telephone number, (817) 512 - 3033

4871 Mesa Drive, Castle Rock, CO 80104

Former Name, former address and former fiscal year if changed since last report

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
--- ---

Applicable only to issuers involved in bankruptcy proceedings during the
preceding five years

Check whether the registrant filed all documents and reports required to be
filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of
securities under a plan confirmed by a court. Yes No
--- ---

Applicable on to corporate issuers

State the number of shares outstanding of each of the issuer's class of

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common equity, as of the latest practicable date:

Transitional Small Business Disclosure Format
(Check One)
Yes No X
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WASTE CONVERSION SYSTEMS, INC.
FORM 10-QSB

PART I-FINANCIAL INFORMATION

- Item 1. Financial Statements. (Unaudited)

As prescribed by Item 310 of Regulation S-B, the independent auditor has reviewed these unaudited interim financial statements of the registrant for the three months ended March 31, 2002. The financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim period presented. The unaudited financial statements of registrant for the three months ended March 31, 2002, follow.

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PART I - FINANCIAL STATEMENTS

WASTE CONVERSION SYSTEMS, INC.
and Subsidiaries

Consolidated Balance Sheet

| | March 31, 2002 (Unaudited) | Septem (Aud |
|---|----------------------------------|----------------|
| | ----- | ----- |
| ASSETS ----- | | |
| | \$ -- | \$ |
| | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) ----- | | |
| Current liabilities: | | |
| Accounts payable | \$ -- | \$ |
| Notes payable | -- | |
| Accrued payroll taxes | -- | |
| Accrued interest payable payroll taxes | -- | |
| | ----- | ----- |
| Total current liabilities | -- | ----- |
| | ----- | ----- |
| Stockholders' equity (deficit): | | |
| Preferred stock, \$1 par value, 500,000 shares authorized, none issued | -- | |
| Common stock, \$0.01 par value, 50,000,000 shares authorized, 6,231,667 shares outstanding | 62,316 | |
| Additional paid-in capital | 4,964,562 | 4, |
| Accumulated deficit | (5,026,878) | (5, |
| | ----- | ----- |
| Total stockholders' equity (deficit) | -- | (|
| | ----- | ----- |
| | \$ -- | \$ |
| | ===== | ===== |

See notes to financial statements.

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WASTE CONVERSION SYSTEMS, INC.
and Subsidiaries

Consolidated Statements of Operations
For the Six Months Ended March 31, 2002 and 2001
(UNAUDITED)

| | Three months ended March 31 | | Six months ended Ma | |
|---|-----------------------------|---------------|---------------------|-------|
| | 2002 ===== | 2001 ===== | 2002 ===== | ===== |
| General and administrative expenses | \$ 9,645 | \$ -- | \$ (6,945) | \$ |
| Income loss from operations | (9,645) | -- | (6,945) | |
| Other income (expense) - interest expense | -- | (9,713) | -- | |
| Income (loss) before extraordinary item | (9,645) | (9,713) | (6,945) | |
| Extraordinary item - gain on extinguishments of debt | -- | -- | 424,665 | |
| Net income (loss) | \$ (9,645) | \$ (9,713) | \$ 417,720 | \$ |
| Earnings per share: | | | | |
| Income(loss)before extraordinary item | \$ (0.00) | \$ (0.00) | \$ (0.00) | \$ |
| Net income (loss) | \$ (0.00) | \$ (0.00) | \$ 0.07 | \$ |
| Weighted average number of common shares outstanding | 6,231,667 | 6,207,236 | 6,231,667 | 6, |

See notes to financial statements.

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WASTE CONVERSION SYSTEMS, INC.
and Subsidiaries

Consolidated Statements of Cash Flows
For the Six Months Ended March 31, 2002 and 2001
(UNAUDITED)

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| | Three months ended March 31 | | Six months ended |
|---|-----------------------------|------------|------------------|
| | 2002 | 2001 | 2002 |
| | ===== | ===== | ===== |
| Operating activities: | | | |
| Net income (loss) | \$ (9,645) | \$ (9,713) | \$ 417,720 |
| Adjustments to reconcile net income (loss) to cash provided (used) by operating activities: | | | |
| Net change in assets and liabilities: | | | |
| Accounts payable | (5,000) | -- | (72,428) |
| Accounts interest | -- | -- | (218,261) |
| Accrued expenses | (2,355) | 9,713 | (2,355) |
| Notes payable | -- | -- | (210,348) |
| | ----- | ----- | ----- |
| Net cash provided (used) by operating activities | (17,000) | -- | (85,672) |
| | ----- | ----- | ----- |
| Financing activities: | | | |
| Issuance of stock for debt extinguishment | 2,944 | | |
| Contributed capital | 17,000 | -- | 85,428 |
| Cancellation of shares | -- | -- | (2,700) |
| | ----- | ----- | ----- |
| Net cash provided by financing activities | 17,000 | -- | 85,672 |
| | ----- | ----- | ----- |
| Net increase in cash | -- | -- | -- |
| Cash, beginning of period | -- | -- | -- |
| | ----- | ----- | ----- |
| Cash, end of period | \$ -- | \$ -- | \$ -- |
| | ===== | ===== | ===== |
| Supplemental disclosure of cash flow information: | | | |
| Cash paid during the year for: | | | |
| Interest | \$ -- | \$ -- | \$ -- |
| Income taxes | \$ -- | \$ -- | \$ -- |
| Non-cash transactions: | | | |
| Extraordinary item - extinguishment of debt | \$ -- | \$ -- | \$ 424,665 |
| Cancellation of shares | \$ -- | \$ -- | 2,700 |

See notes to financial statements.

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WASTE CONVERSION SYSTEMS, INC.
and Subsidiaries

Notes to Financial Statements
March 31, 2002
(UNAUDITED)

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1. BASIS OF PRESENTATION:

The unaudited financial statements have been prepared by the Company, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such SEC rules and regulations; nevertheless, the Company believes that the disclosures are adequate to make the information presented not misleading. These financial statements and the notes hereto should be read in conjunction with the financial statements and notes thereto included in the Company's Form 10-KSB for the year ended September 30, 2001, which was filed November 30, 2001. In the opinion of the Company, all adjustments, including normal recurring adjustments necessary to present fairly the financial position of Waste Conversion Systems, Inc. as of March 31, 2001 and the results of its operations and cash flows for the quarter then ended, have been included. The results of operations for the interim period are not necessarily indicative of the results for the full year.

ACCOUNTING POLICIES:

There have been no changes in accounting policies used by the Company during the quarter ended December 31, 2001.

2. Significant Accounting Policies

Organization and Business

Waste Conversion Systems, Inc. was incorporated under the laws of the state of Nevada on October 21, 1986. Waste Conversion Systems, Inc. ("WCSI") and its subsidiaries, together, the "Company") are engaged in the marketing of thermal burner systems that utilize industrial and agricultural waste products as fuel to produce steam, which generates electricity, air-conditioning or heat. The Company also sells the thermal burner distributorship rights. In addition, the Company markets fuel supply contracts called "B.T.U. Programs" whereby the Company will retrofit an existing boiler with a thermal burner at the Company's expense, and supply an alternative source of fuel over a specified term. The Company will receive revenues from fuel supply contracts determined by energy savings achieved by the customer. Historically, a substantial portion of the Company's revenues has been from sales to a major stockholder.

In June 1987, the Company acquired from its officers, a 75% interest in three United States patents and a patent application pertaining to the thermal burner. The remaining interest in the patents is held by a nonaffiliated individual who is not entitled to any royalty or other compensation as a result of the sale and conveyance of the 75% interest in the United States patents to the Company. The purchase price for the 75% interest was cash of \$255,000, 1,250,000 shares of the Company's restricted common stock, and options to purchase an aggregate of 300,000 shares of common stock at \$1.00 per share. The 300,000 options expired in June, 1992.

The Company ceased operations in August of 1996.

Principles of Consolidation

The consolidated financial statements include the accounts of Waste

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Conversion Systems, Inc. and its subsidiaries. All material intercompany accounts and transactions are eliminated.

Intangible Assets

Patents are amortized using the straight-line method over the lesser of their estimated economic useful lives or their legal term of existence.

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WASTE CONVERSION SYSTEMS, INC. and Subsidiaries

Notes to Financial Statements, Continued
March 31, 2002
(UNAUDITED)

Income (Loss) Per Share

Income (loss) per common share is computed by dividing net income (loss) by the weighted average number of common shares outstanding. Stock options and warrants are anti-dilutive, and accordingly, are not included in the calculation of income (loss) per share.

Cash

For purposes of the statement of cash flows, the Company considers unrestricted cash and all highly liquid debt instruments purchased with an original maturity of three months or less to be cash.

Advertising Costs

The Company expenses non-direct advertising costs as incurred. The Company did not incur any direct response advertising costs for the fiscal years ended September 30, 2001 and 2000 to be capitalized and deferred to future periods.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Impairment of Long-Lived Assets

The Company evaluates its long-lived assets of identifiable business activities for impairment when events or changes in circumstances indicate, in management's judgment, that the carrying value of such assets may not be recoverable. The determination of whether an impairment has occurred is based on management's estimate of undiscounted future cash flows attributable to the assets as compared to the carrying value of the assets.

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If an impairment has occurred, the amount of the impairment recognized is determined by estimating the fair value for the assets and recording a provision for loss if the carrying value is greater than fair value.

For assets identified to be disposed of in the future, the carrying value of these assets is compared to the estimated fair value less the cost to sell to determine if an impairment is required. Until the assets are disposed of, an estimate of the fair value is redetermined when related events or circumstances change.

Environmental

Substantially all of the Company's facilities are subject to federal, state, and local provisions regulating the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Company expect such compliance to have, any material effect upon the capital expenditures, net income, financial condition or competitive position of the Company. Management believes that its current practices and procedures for the control and disposition of such waste comply with applicable federal and state requirements.

Recent Accounting Standards

The FASB issued SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." The Statement provides guidance for determining whether a transfer of financial assets should be accounted for as a sale or a secured borrowing, and whether a liability has been extinguished. The Statement is effective for recognition and reclassification of collateral and for disclosures ending after December 15, 2001. The Statement is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001. The initial application of SFAS No. 140 will have no impact to the Company's results of operations and financial position.

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WASTE CONVERSION SYSTEMS, INC. and Subsidiaries

Notes to Financial Statements, Continued
March 31, 2002
(UNAUDITED)

2. Significant Accounting Policies (continued)

In June, 2001 the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 141, "Business Combinations" and No. 142 "Goodwill and Other Intangible Assets." These statements prohibit pooling-of-interest accounting for Transactions initiated after June 30, 2001, require the use of the purchase method of accounting for all combinations after June 30, 2001, and establish new standards for accounting for goodwill and other intangibles acquired in business combinations. The Company does not expect these pronouncements to have a

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material affect on its financial statements.

Stock Options

The Company accounts for non-employee stock options under SFAS 123, whereby option costs are recorded at the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliable measurement.

3. Extraordinary Item

Extinguishment of Debt

Since the Company ceased operations in 1996, it has not paid any of its obligations. For those trade creditors and note holders which did not extend the statute of limitations on collection of their accounts through legal actions, the Company has been taking the write off of the payables into income as the statutory period for collection expires. The extraordinary gains were \$8,880 (\$0.00 per share) for fiscal 2001 and \$1,562,122 (\$0.25 per share) for fiscal 2000 and \$497,093 for the six months ended March 31, 2002.

4. Related Party Transactions

Transactions with Major Stockholder

Of the 1,250,000 shares of the Company's common stock which were issued in 1987 to the Company's three former officers in connection with the Company's patent acquisition, 1,082,660 shares were transferred by the three individuals to Nathaniel, Ltd. ("Nathaniel"), a foreign corporation, as repayment for previous financing provided. Effective September 30, 1993, 193,108 of these shares became subject to a voting trust agreement dated June 5, 1988. The agreement gives the Company's former President the exclusive exercise of the stockholders' voting rights.

The former officers also serve as "President-agent" and "Secretary-agent" of Nathaniel for the purpose of any business activities of Nathaniel in the United States and Canada. Both have the full power and authority to negotiate and execute agreements and other documents on behalf of Nathaniel. Nathaniel holds all of the rights, patented or otherwise, outside of the United States, to the thermal burner. Substantial amounts of the Company's operating expenses have been paid through Nathaniel's bank account and were repaid during 1996 when Nathaniel exchanged its debt of \$518,548 for the existing patents. The excess of \$414,423, over the book value of the patents, was treated as additional paid-in capital.

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WASTE CONVERSION SYSTEMS, INC.
and Subsidiaries

Notes to Financial Statements, Continued
March 31, 2002
(UNAUDITED)

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5. Notes Payable

Notes payable at March 31, 2002 consist of:

| | |
|--|-------|
| 8.5% notes due April 1, 1994 from sale of securities units * | \$ 0 |
| 10% unsecured loan for past due rent ** | 0 |
| | ----- |
| | \$ 0 |
| | ===== |

* During fiscal 1993 and 1994 the Company issued \$880,000 in notes, 1,350,000 shares of common stock and warrants to purchase additional shares of common stock in exchange for \$880,000. All the warrants expired prior to exercise. In fiscal 2000 the Company wrote off \$728,000 of the notes due to expiration of the statute of limitations. The remaining \$152,108 plus accrued interest was the subject of a judgment filed against the Company which was settled in December of 2001 for 213,712 shares of its common stock.

** A judgment was entered by the landlord against the Company in April 1995 in the amount of \$214,897, including accrued interest. The Company settled this judgment in December 2001 for \$1,000 plus 10,718 shares of its common stock.

6. Available Carryforwards

The Company has, for income tax purposes, approximately \$4,654,000 in net operating loss carryforwards at March 31, 2002, available to offset future years' taxable income and expiring in varying amounts through the year 2015. A deferred tax asset of approximately \$2,032,000 has been offset by a 100% valuation allowance. The annual utilization of the loss carryforward will be limited under Internal Revenue Code Section 382 provisions due to the recent stock issuances. The Company accounts for income taxes pursuant to the Statement of Financial Accounting Standards No.109. The net changes in fiscal 2001 and 2000 in total valuation allowance were \$33,000 and \$(598,000), respectively.

7. Capital Stock

In February 1993, the Company adopted a stock option plan containing both incentive stock options and nonqualified stock options. Under the plan, 1,520,000 shares are reserved for issuance. Effective April 2, 1993, 520,000 nonqualified options were granted to a stockholder (Nathaniel) expiring in ten years. 260,000 of the options are exercisable at \$1.30 and the remaining 260,000 are exercisable at \$1.80 per share.

The stock options were granted under a financing agreement with no stated value. The Company incurred no material expense under these options.

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WASTE CONVERSION SYSTEMS, INC. and Subsidiaries

Notes to Financial Statements, Continued
March 31, 2002
(UNAUDITED)

8. Preferred Stock

The Articles of Incorporation of the Company authorize issuance of a maximum of 500,000 shares of nonvoting preferred stock with a par value of \$1.00 per share. The Articles of Incorporation grant the Board of Directors of WCSI authority to determine the designations, preferences, and relative participating, optional or other special rights of any preferred stock issued.

No preferred shares had been issued as of March 31, 2002.

9. Going Concern

The Company has suffered recurring losses from operations and ceased operations in August, 1996. All assets have been either abandoned or transferred to creditors. The liabilities exceed assets by \$ -0- at March 31, 2002. In order for the Company to sustain any kind of operations, capital will need to be raised to retire outstanding obligations and provide operating funds. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

The Company has been attempting to negotiate its liabilities, and management believes all judgment creditors can be settled, for consideration (primarily stock) the Company can afford. The Company may raise additional capital through the sale of its equity securities, or debt securities.

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Item 2. Management's Discussion and Analysis or Plan of Operation.

OPERATIONS: The Company had no revenues for the six months ended March 31, 2002 and 2001. The Company is dependent upon management and/or significant shareholders to provide sufficient working capital to preserve the integrity of the corporate entity at this time. It is the intent of management and/or significant shareholders to provide sufficient working capital necessary to support and preserve the integrity of the corporate entity. There is no assurance, however, that management and/or significant shareholders will continue to supply such working capital.

OPERATING RESULTS. The Company had no operations for the six months ended March 31, 2002 and 2001. During the three months ended March 31, 2002, it had \$9,645 of expenses attributed to \$1,145 of penalties on accrued payroll taxes and \$8,500 paid to settle a lawsuit as compared to \$9,713 in interest expense for the three months ended March 31, 2001. During the six months ended March 31, 2002, the Company had \$417,720 of income derived from \$424,665 gain from extinguishment of liabilities and \$2,700 recovery of expenses derived from the

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cancellation of shares previously issued for consulting services that were never performed less \$9,645 in expense attributed to penalties on payroll taxes and \$8,500 paid to settle a lawsuit. During the six months ended March 31, 2001, the Company had a loss of \$19,426 attributed to accrued interest on notes payable.

EARNINGS PER SHARE OF COMMON STOCK. The net income or loss per common share is based upon the weighted average of outstanding common stock. The net loss per share of common stock was less than \$.01 for the three months ended March 31, 2002 and less than \$.01 for the three months ended March 31, 2001. For the six months ended March 31, 2002, the Company had income per share of \$.07 per share compared to a loss than \$.01 for the six months ended March 31, 2001.

LIQUIDITY AND CAPITAL RESOURCES. The Company ceased operations in August 1996 and had no operations during the first quarter of 2002.

During the six months ended March 31, 2002, the Company settled lawsuits, judgments and liabilities totaling \$428,609 for \$29,500 and 224,420 shares of its common stock.

As of March 31, 2002, the Company's outstanding liabilities were \$-0-, which exceeds assets by \$-0-.

Financing activities for the six months ended March 31, 2002 included contributed capital of \$85,428 from management and/or significant shareholders. These funds were used to settle judgments, lawsuits and pay accounts payable of the Company.

This Form 10-QSB contains statements that constitute "forward-looking statements." These forward-looking statements can be identified by the use of predictive, future-tense or forward-looking terminology, such as "believes," "anticipates," "expects," "estimates," "plans," "may," "will," or similar terms. These statements appear in a number of places in this report and include statements regarding the intent, belief or current expectations of the Company, its directors or its officers with respect to, among other things: (i) trends affecting the Company's financial condition or results of operations for its limited history; (ii) the Company's business and growth strategies; (iii) the Internet and Internet commerce; and, (iv) the Company's financing plans. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Factors that could adversely affect actual results and performance include,

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among others, the Company's limited operating history, dependence on key management, financing requirements, government regulation, technological change and competition. Consequently, all of the forward-looking statements made in this Form 10-QSB are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequence to or effects on the Company or its business or operations. The Company assumes no obligations to update any such forward-looking statements.

PART II-OTHER INFORMATION

Item 1. Legal Proceedings.

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The State of Colorado's tax liens, which were filed in 1994 and 1995, in the total amount of \$2,355 plus penalties and interest, were paid on January 15, 2002.

The 1995 judgment against the Company in Abacus Group Realty Holding Co. v. Waste Conversion Systems, Inc. (Arapaho County District Court, Division 5, File No. 95 CV 000010) totaled approximately \$182,656.24 as of September 30, 2000, including post-judgment interest. This judgment was settled during October 2001. A Satisfaction of Judgement was entered on January 15, 2002.

On December 23, 1996, a judgment was entered against the Company in F.G. Funding, Inc. v. Waste Conversion Systems, Inc. (Sup. Ct. N.Y. Queens County Index File No. 95-007520) in the amount of \$152,000, plus post-judgment interest. On June 30, 2001, the Company entered into a settlement agreement with F.G. Funding, Inc. whereby in exchange for the judgment, plus post-judgment interest. On December 18, 2001, the Company issued and delivered 213,712 shares of its restricted common stock to F.G. Funding, Inc. The Company has requested a Satisfaction of Judgement, however, the Plaintiff, to date, has not delivered one.

During the first week of October 2001, the Company was served as a defendant in Jules Nordlicht v. Stan Abrams, individually; Waste Conversion Systems, Inc. in the District Court for the City and County of Denver. Mr. Nordlicht alleges: (1) that the Company breached a contract by failing market and resell certain equipment and by failing to keep said equipment insured; and, (2) that the Company was negligent or careless in causing some or all said equipment to be shipped to Ireland. Mr. Nordlicht has asserted that he is owed \$62,500 and requests that he be awarded interest as provided by law, costs and any other relief that the Court deems just and proper. The Company denies that it in any way acted in breach of the alleged contract or that its actions were in any way negligent. In addition, the Company believes that the action is subject to certain valid defenses. During October 2001, the Company entered into an Assumption of Liability, Indemnification and Hold Harmless Agreement with Stan Abrams, the Company's former President, whereby Mr. Abrams has agreed, upon the receipt of \$20,000, to: (1) assume and promptly pay, any and all liability with regard to this litigation, including any costs, expenses, attorney and expert fees, and travel costs; and (2) indemnify and hold the Company harmless from paying any and or all claims relating to this litigation. (See Exhibit 10.0 filed with the 10-QSB report for the period ending December 31, 2001)

Item 2. Changes in Securities and Use of Proceeds

None.

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Item 3. Defaults Upon Senior Securities.

None.

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

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

Item 5. Other Information

The Company has moved its principal corporate offices from 4871 Mesa Drive,

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Castle Rock, CO 80104 to 18505 Highway 377 South, Fort Worth, TX 76126. Our new telephone number is (718) 512-3033. Our new fax number is (817) 512-3034.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits: None

(b) Reports on Form 8-K.

On February 27, 2002, the Company filed a Current Report detailing Item 4, "Changes in Registrant's Certifying Accountant". On April 30, 2002, the Company filed a Current Report detailing Item 2, titled, "Acquisition or Disposition of Assets", Item 5 titled, "Other Events and Regulation FD Disclosure" and Item 7, titled "Financial Statements and Exhibits".

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: May __, 2001

Waste Conversion Systems, Inc.

By: /s/ Randy Moseley

Randy Moseley
Title: President

By: /s/ Stanley Woods

Stanley Woods
Title: Secretary