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ANZA CAPITAL INC
Form PRE 14C
September 27, 2004

SCHEDULE 14C INFORMATION

INFORMATION STATEMENT PURSUANT TO SECTION 14(c)
OF THE SECURITIES EXCHANGE ACT OF 1934 (AMENDMENT NO.)

Check the appropriate box:

- Preliminary Information Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))
 Definitive Information Statement

ANZA CAPITAL, INC.
(Name of Registrant as Specified in Charter)

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 - 4) Proposed maximum aggregate value of transaction:
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 - 3) Filing Party:
 - 4) Date Filed:

ANZA CAPITAL, INC.
3200 BRISTOL STREET, SUITE 700
COSTA MESA, CA 92626

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON NOVEMBER 8, 2004

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TO OUR SHAREHOLDERS:

You are cordially invited to attend the Annual Meeting of the Shareholders of Anza Capital, Inc. (the "Company") to be held on November 8, 2004 at 2:00 PM, Pacific Standard Time, at the New York-New York Hotel and Casino, 3790 Las Vegas Boulevard South, Las Vegas, Nevada 89109, to consider and act upon the following proposals, as described in the accompanying Information Statement:

1. To re-elect the existing sole director to serve until the next Annual Meeting of Shareholders and thereafter until his successor is elected and qualified;
2. To ratify the appointment of Singer Lewak Greenbaum & Goldstein LLP, as independent auditors of the Company for the fiscal year ending April 30, 2005;
3. To transact such other business as may properly come before the meeting or any adjournments thereof.

The foregoing items of business are more fully described in the Information Statement accompanying this Notice. The Board of Directors has fixed the close of business on September 28, 2004, as the record date for Shareholders entitled to notice of and to vote at this meeting and any adjournments thereof.

By Order of the Board of Directors

Vincent Rinehart, President

October [__], 2004
Costa Mesa, California

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WE ARE NOT ASKING YOU FOR A PROXY
AND YOU ARE REQUESTED NOT TO SEND US A PROXY

INFORMATION STATEMENT

INTRODUCTION

This information statement is being mailed or otherwise furnished to stockholders of Anza Capital, Inc., a Nevada corporation (the "Company") in connection with the upcoming annual meeting of its shareholders. This Information Statement is being first sent to stockholders on or about October 15, 2004.

PROPOSALS

The following proposals are being presented at the meeting (the "Proposals"):

1. To re-elect the existing sole director to serve until the next Annual Meeting of Shareholders and thereafter until his successor is elected and qualified;
2. To ratify the appointment of Singer Lewak Greenbaum & Goldstein LLP,

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as independent auditors of the Company for the fiscal year ending April 30, 2005;

3. To transact such other business as may properly come before the meeting or any adjournments thereof.

VOTE REQUIRED

The vote which is required to approve the above Proposals is the affirmative vote of the holders of a majority of the Company's voting stock. Each holder of common stock is entitled to one (1) vote for each share held. The holders of Series D Convertible Preferred Stock are entitled to 126.81 votes per share, and the holders of Series F Convertible Preferred Stock are entitled to 100 votes per share. The holders of Series G Convertible Preferred Stock do not have voting rights.

The record date for purposes of determining the number of outstanding shares of voting stock of the Company, and for determining stockholders entitled to vote, is the close of business on September 28, 2004 (the "Record Date"). The Board of Directors of the Company adopted the resolution approving and recommending each of the Proposals on September 26, 2004. As of the Record Date, the Company had outstanding 5,358,846 shares of common stock, 8,201.5 shares of Series D Convertible Preferred Stock, 18,800 shares of Series F Convertible Preferred Stock, and 500,000 shares of Series G Convertible Preferred Stock. Holders of the shares have no preemptive rights. All outstanding shares are fully paid and nonassessable. The transfer agent for the common stock is Securities Transfer Corporation, 2591 Dallas Parkway, Suite 102, Frisco, Texas 75034, telephone (469) 633-0101.

VOTE OBTAINED - SECTION 78.320 NEVADA REVISED STATUTES

Section 78.320 of the Nevada Revised Statutes (the "Nevada Law") provides that the written consent of the holders of the outstanding shares of voting stock, having not less than the minimum number of votes which would be necessary

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to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, may be substituted for such a meeting. In order to eliminate the costs and management time involved in obtaining proxies and in order to effect the Proposals as early as possible in order to accomplish the purposes of the Company as hereafter described, the Board of Directors of the Company voted to utilize, and did in fact obtain, the written consent of the holders of a majority of the voting power of the Company.

Pursuant to Section 78.370 of the Nevada Revised Statutes, the Company is required to provide prompt notice of the taking of the corporate action without a meeting to the stockholders of record who have not consented in writing to such action. This Information Statement is intended to provide such notice. No dissenters' or appraisal rights under the Nevada Law are afforded to the Company's stockholders as a result of the approval of the Proposals.

PROPOSAL ONE ELECTION OF DIRECTORS

Directors are elected by the shareholders at each annual meeting to hold office until their respective successors are elected and qualified, and need not be shareholders of the Company or residents of the State of Nevada. Directors may receive compensation for their services as determined by the Board of Directors. See "Compensation of Directors." The number of Directors shall be

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set by the Board of Directors. Presently, the Board consists of one (1) member, namely Mr. Vincent Rinehart. Mr. Rinehart has chosen to stand for re-election and has been nominated for re-election by the Board. No other persons have been nominated for election to the Board.

The Board of Directors has instructed the President to explore additional candidates to be added to the Board. No candidates have been identified at this time.

Voting for the election of directors is non-cumulative, which means that a simple majority of the shares voting may elect all of the directors. Each share of common stock is entitled to one (1) vote and, therefore, has a number of votes equal to the number of authorized directors. The holders of Series D Convertible Preferred Stock are entitled to 126.81 votes per share, and the holders of Series F Convertible Preferred Stock are entitled to 100 votes per share.

Although management of the Company expects that each of the following nominees will be available to serve as a director, in the event that any of them should become unavailable prior to the shareholders meeting, a replacement will be appointed by a majority of the then-existing Board of Directors. Management has no reason to believe that any of its nominees, if elected, will be unavailable to serve. All nominees are expected to serve until the next Annual Meeting of Shareholders or until their successors are duly elected and qualified.

NOMINEES FOR ELECTION AS DIRECTOR

The following table sets forth certain information with respect to persons nominated by the Board of Directors of the Company for election as Directors of the Company and who will be elected following the annual shareholders meeting:

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| Name | Age | Position(s) |
|------------------|-----|--|
| Vincent Rinehart | 54 | Sole Director, President, Chief Executive Officer, Secretary, and Principal Accounting Officer |

VINCENT RINEHART has been a director and the President and Chief Executive Officer of the Company since April 12, 2000, and its Chairman since January 1, 2001. He also serves in the following capacities: Chairman of the Board, President, and CEO of American Residential Funding, Inc., our wholly owned subsidiary ("AMRES") (commencing in 1997); Chief Executive Officer of Firstline Mortgage, Inc., a HUD-approved originator of FHA, VA, and Title 1 loans (commencing in 1985); and a director of Firstline Relocation Services, Inc., a three-office enterprise that provides real estate sales, financing, destination, and departure services to Fortune 500 companies (commencing in 1995). Mr. Rinehart received his B.A. in Business Administration from California State University at Long Beach in 1972.

To the Company's knowledge, none of the nominees presently serve as directors of public corporations other than Anza Capital, Inc.

BOARD COMPENSATION

In November 2002, Scott Presta received 42,500 shares (after giving effect

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to the 1-for-20 reverse stock split effective April 21, 2003) of our common stock for past services as a director and for agreeing to stand for re-election as a director, and Kenneth Arevalo and L. Wade Svcarovich each received 25,000 shares (after giving effect to the 1-for-20 reverse stock split effective April 21, 2003) of common stock for agreeing to stand for election as a director. In connection with his resignation from the Board of Directors on July 23, 2004, Mr. Arevalo returned the 25,000 shares. There are currently no agreements with any of the directors, or director nominees for additional compensation, and the Company does not anticipate paying any additional compensation. Directors of the Company are entitled to reimbursement for their travel expenses. The Company does not pay additional amounts for committee participation or special assignments of the Board of Directors.

BOARD MEETINGS AND COMMITTEES

During the fiscal year ended April 30, 2004, the Board of Directors met on numerous occasions and took written action on numerous other occasions. All the members of the Board attended the meetings. The written actions were by unanimous consent.

On April 11, 2003, an Audit Committee of the Board of Directors was formed. During the fiscal year ended April 30, 2004, the Audit Committee met on one occasion. In accordance with a written charter adopted by the Company's Board of Directors, the Audit Committee assisted the Board of Directors in fulfilling its responsibility for oversight of the quality and integrity of the Company's financial reporting process, including the system of internal controls. In connection with the audit of our financial statements for the fiscal year ended April 30, 2004, the Audit Committee (i) reviewed and discussed the audited financial statements with management, (ii) discussed with the independent auditors the matters required to be discussed by SAS 61, (iii) received the written disclosures and the letter from the independent accountants required by Independence Standards Board Standard No. 1, (iv) discussed with the independent accountant the independent accountant's independence, and (v) made appropriate recommendations to the Company's Board of Directors concerning inclusion of the audited financial statements in the Company's annual report on Form 10-K.

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The directors who were members of the Audit Committee were Kenneth Arevalo and L. Wade Svcarovich, both of whom were considered independent directors in accordance with Exchange Act Rule 10A(m)(3). Mr. Arevalo was considered by our Board of Directors to be an audit committee financial expert. Following Mr. Avevalo's resignation from the Board of Directors effective July 23, 2004 and Mr. Svcarovich's resignation from the Board of Directors effective September 17, 2004, the Audit Committee was disbanded. As a result, we do not currently have an audit committee financial expert.

On April 11, 2003, a Compensation Committee of the Board of Directors was formed, consisting of Vincent Rinehart and Scott A. Presta. During the fiscal year ended April 30, 2004, the Compensation Committee took action by unanimous written consent on one occasion. Following Mr. Presta's resignation from the Board of Directors effective April 1, 2004, the Compensation Committee was disbanded.

We do not have a nominating committee because we have only a single director. Our Board of Directors does not act pursuant to a charter or similar document with respect to its selection of candidates for election to the Board. Mr. Rinehart, as our sole director, is not considered independent in accordance with Exchange Act Rule 10A(m)(3). We do not have a policy with regard to the consideration of any director candidates recommended by security holders, and will not consider candidates so recommended. No minimum qualifications have

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been established for the selection of director candidates.

Our Board of Directors does not currently provide a process for security holders to send communications to the Board because, as a result of our small size, it is impracticable for us to have a formal process.

The members of our Board of Directors are invited and encouraged to attend our annual shareholder's meeting, although they are not required to do so. At last year's annual shareholder's meeting, all of our existing directors and nominees were present.

PROPOSAL TWO RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Board of Directors has appointed Singer Lewak Greenbaum & Goldstein LLP to audit the consolidated financial statements of the Company for the fiscal year ending April 30, 2005, and seeks ratification of such appointment. In the event of a negative vote on such ratification, the Board of Directors will reconsider its appointment.

Representatives of Singer Lewak Greenbaum & Goldstein LLP are not expected to be present at the annual meeting.

CHANGES IN ACCOUNTANTS

On August 20, 2004, McKennon, Wilson & Morgan, LLP, the independent accountants previously engaged as the principal accountants to audit our financial statements, declined to stand for re-election after the completion of the most recent audit, due to the audit partner rotation requirements of Section 203 of the Sarbanes Oxley Act of 2002.

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Also effective on August 20, 2004, we engaged Singer Lewak Greenbaum & Goldstein LLP, as our independent certified public accountants. The decision to change accountants was approved by our Board of Directors.

The audit report of McKennon, Wilson & Morgan, LLP on our financial statements as of April 30, 2004 and for each of the two years in the period ended April 30, 2004 (the "Audit Period") did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles, except the reports were modified to include an explanatory paragraph wherein they expressed substantial doubt about our ability to continue as a going concern. During the Audit Period, and through August 20, 2004, there were no disagreements with McKennon, Wilson & Morgan, LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of the former accountants, would have caused it to make reference to the subject matter of the disagreements in connection with its report, and there were no reportable events as described in Item 304(a)(1)(v) of Regulation S-K.

We previously provided a copy of this disclosure to McKennon, Wilson & Morgan, LLP and requested that the former accountants furnish us with a letter addressed to the Securities and Exchange Commission stating whether they agree with the statements made by us, and, if not, stating the respects in which they do not agree. A copy of the letter was attached to our Form 8-K filed with the Commission on August 20, 2004.

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During the two most recent fiscal years, or any subsequent interim period prior to engaging Singer Lewak Greenbaum & Goldstein LLP, neither we nor anyone acting on our behalf consulted with Singer Lewak Greenbaum & Goldstein LLP regarding (i) the application of accounting principles to a specific completed or contemplated transaction, or (ii) the type of audit opinion that might be rendered on our financial statements where either written or oral advice was provided that was an important factor considered by us in reaching a decision as to the accounting, auditing, or financial reporting issue, or (iii) any matter that was the subject of a disagreement with our former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreements in connection with its audit report.

AUDIT FEES

During the fiscal years ended April 30, 2004 and 2003, McKennon Wilson & Morgan LLP, our previous auditor, billed the Company \$73,100 and \$63,000, respectively, in fees for professional services for the audit of the Company's annual financial statements and review of financial statements included in the Company's Form 10-Q or 10-QSB, as applicable.

AUDIT - RELATED FEES

During the fiscal years ended April 30, 2004 and 2003, McKennon Wilson & Morgan LLP billed the Company \$10,167 and \$12,866, respectively, relating to procedures performed in connection with proxy and registration information filed with the SEC. There were no amounts billed related to any assurance and related services related to the performance of the audit or review of the Company's financial statements.

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TAX FEES

During the fiscal years ended April 30, 2004 and 2003, McKennon Wilson & Morgan LLP billed the Company \$9,700 and \$6,500, respectively, for professional services for tax preparation.

ALL OTHER FEES

During the fiscal years ended April 30, 2004 and 2003, McKennon Wilson & Morgan LLP did not bill the Company for any other fees.

Of the fees described above for the fiscal year ended April 30, 2004, 100% were approved by the Audit Committee. The Audit Committee's pre-approval policies and procedures were detailed as to the particular service and the audit committee was informed of each service and such policies and procedures did not include the delegation of the audit committee's responsibilities. Of the fees described above for the fiscal year ended April 30, 2003, 100% were approved by the Board of Directors of the Company as there was not an Audit Committee in place at the time of the approvals.

OTHER INFORMATION

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the names and ages of our current directors and executive officers, the principal offices and positions held by each person, and the date such person became a director or executive officer. Our executive

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officers are elected annually by the Board of Directors. The directors serve one year terms until their successors are elected. The executive officers serve terms of one year or until their death, resignation or removal by the Board of Directors. Unless described below, there are no family relationships among any of the directors and officers.

| Name | Age | Position(s) |
|------------------|-----|--|
| Vincent Rinehart | 54 | Sole Director, President, Chief Executive Officer, Secretary, and Principal Accounting Officer |

VINCENT RINEHART has been a director and the President and Chief Executive Officer of the Company since April 12, 2000, and its Chairman since January 1, 2001. He also serves in the following capacities: Chairman of the Board, President, and CEO of AMRES (commencing in 1997); Chief Executive Officer of Firstline Mortgage, Inc., a HUD-approved originator of FHA, VA, and Title 1 loans (commencing in 1985); and a director of Firstline Relocation Services, Inc., a three -office enterprise that provides real estate sales, financing, destination, and departure services to Fortune 500 companies (commencing in 1995). Mr. Rinehart received his B.A. in Business Administration from California State University at Long Beach in 1972.

To the Company's knowledge, none of our directors presently serve as directors of public corporations other than Anza Capital, Inc.

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EXECUTIVE OFFICERS AND DIRECTORS

On June 1, 2001, we entered into an Employment Agreement with Vincent Rinehart. Under the terms of the agreement, we are to pay to Mr. Rinehart a salary equal to \$275,000 per year, subject to an annual increase of 10% commencing January 1, 2002, plus an automobile allowance of \$1,200 per month and other benefits, including life insurance. The agreement is for a term of 5 years and provides for a severance payment in the amount of \$500,000 and immediate vesting of all stock options in the event his employment is terminated for any reason, including cause. Mr. Rinehart's Employment Agreement was ratified by the shareholders of the Company at our 2001 Annual Shareholders Meeting.

2000 Stock Compensation Program

In December 1999, our Board of Directors approved the 2000 Stock Compensation Program (the "2000 Plan"), as amended. A total of 440,000 shares (after giving effect to the 1-for-20 reverse stock split effective April 21, 2003) of common stock are reserved for issuance under the 2000 Plan, all of which have been issued. Unless terminated sooner, the 2000 Plan will terminate automatically in December of 2004.

The 2000 Plan is administered by the Board of Directors. The administrator has the power to determine the individuals to whom options, restricted shares or rights to purchase shares shall be granted, the number of shares or securities subject to each option, restricted share, purchase right or other award, the duration, times and exercisability of each award granted, and the price of any share purchase or exercise price of any option.

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Options granted under the 2000 Plan are generally not transferable by the optionee except by will or the laws of descent and distribution, and each option is exercisable, during the lifetime of the optionee, only by the optionee. Options generally must be exercised within 30 days following the end of the optionee's status as an employee or consultant unless extended to 90 days in the discretion of the administrator. Options may be exercised for up to 6 months upon death or disability. However, in no event may an option be exercised later than the earlier of the expiration of the term of the option or five years from the date of the 2000 Plan.

The 2000 Plan may be amended, altered, suspended or terminated by the administrator at any time, but no such amendment, alteration, suspension or termination may adversely affect the terms of any option, restricted share, purchase right or other award previously granted without the consent of the affected participant. Unless terminated sooner, the 2000 Plan will terminate automatically in December of 2004.

2003 Omnibus Securities Plan

On February 28, 2003, our Board of Directors approved the Anza Capital, Inc. 2003 Omnibus Securities Plan. The Plan offers selected employees, directors, and consultants an opportunity to acquire our common stock, and serves to encourage such persons to remain employed by us and to attract new employees. The plan allows for the award of stock and options, up to 750,000 shares (after giving effect to the 1-for-20 reverse stock split effective April 21, 2003) of our common stock. On May 1 of each year, the number of shares in the 2003 Securities Plan shall automatically be adjusted to an amount equal to ten percent (10%) of the outstanding stock of the Company on April 30 of the immediately preceding year. On May 4, 2004, pursuant to this provision, our Board of Directors increased the number of shares available under the plan by 936,746 shares. During the fiscal year ended April 30, 2004, we issued 40,000 shares under the plan, and subsequent to the year-end an additional 100,000 shares were returned. As of the date of this Annual Report, there are 796,746 shares available for issuance under the plan.

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Board Compensation

In November 2002, Scott Presta received 42,500 shares (after giving effect to the 1-for-20 reverse stock split effective April 21, 2003) of our common stock for past services as a director and for agreeing to stand for re-election as a director, and Kenneth Arevalo and L. Wade Svicarovich each received 25,000 shares (after giving effect to the 1-for-20 reverse stock split effective April 21, 2003) of common stock for agreeing to stand for election as a director. In connection with his resignation from the Board of Directors on July 23, 2004, Mr. Arevalo returned the 25,000 shares. There are currently no agreements with any of the directors, or director nominees for additional compensation, and the Company does not anticipate paying any additional compensation. Directors of the Company are entitled to reimbursement for their travel expenses. The Company does not pay additional amounts for committee participation or special assignments of the Board of Directors.

Summary Compensation Table

The Summary Compensation Table shows certain compensation information for services rendered in all capacities for the fiscal years ended April 30, 2004, 2003 and 2002. Other than as set forth herein, no executive officer's salary and bonus exceeded \$100,000 in any of the applicable years. The following information includes the dollar value of base salaries, bonus awards, the number of stock options granted and certain other compensation (adjusted to reflect the

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1-for-20 reverse stock split effective April 21, 2003), if any, whether paid or deferred.

| NAME AND PRINCIPAL POSITION | YEAR | ANNUAL COMPENSATION | | | LONG TERM COMPENSATION | | |
|--|------|---------------------|---------------|--------------------------------------|---------------------------------------|---|------|
| | | SALARY (\$) | BONUS (\$) | OTHER ANNUAL COMPENSATION (\$) | AWARDS | | LTIP |
| | | | | | RESTRICTED STOCK AWARDS (\$) | SECURITIES UNDERLYING OPTIONS SARS (#) | |
| Vincent Rinehart Pres., CEO, Chairman | 2004 | 329,452 | - | 14,400 | - | - | - |
| | 2003 | 312,583 | 5,000 | 14,400 | -0- | -0- | -0- |
| | 2002 | 290,000 | 5,000 | 24,000 | -0- | 125,000 | -0- |
| Scott A. Presta (1) Director | 2004 | -0- | -0- | -0- | -0- | -0- | -0- |
| | 2003 | -0- | -0- | -0- | 22,950 | -0- | -0- |
| | 2002 | -0- | -0- | -0- | -0- | -0- | -0- |
| Kenneth Arevalo (2) Director | 2004 | -0- | -0- | -0- | -0- | -0- | -0- |
| | 2003 | -0- | -0- | -0- | 13,500 | -0- | -0- |
| | 2002 | -0- | -0- | -0- | -0- | -0- | -0- |
| L. Wade Svicarovich (3) Director | 2004 | -0- | -0- | -0- | -0- | -0- | -0- |
| | 2003 | -0- | -0- | -0- | 13,500 | -0- | -0- |
| | 2002 | -0- | -0- | -0- | -0- | -0- | -0- |