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FREEWILLPC COM INC
Form 10QSB
November 19, 2001

FORM 10-QSB

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

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

For the quarter ended: September 30, 2001

Commission file number: 333-48312

FreewillPC.com, Inc.

(exact name of registrant as specified in its charter)

Nevada 75-2877111

(State of Incorporation) (IRS ID No.)

709-B West Rusk, Suite 500, Rockwall, Texas 75087

(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: 972-772-5930

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act during the past twelve 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 [].

Shares of common stock outstanding at September 30, 2001:

4,422,000

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| | been reviewed by an independent public accountant | 1 - 6 |
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FREEWILLPC.COM, INC.
a Development Stage Company

CONDENSED BALANCE SHEETS
September 30, 2001 and December 31, 2000

ASSETS

| | Sept 30, 2001 (Unaudited) | Dec 31, 2000 |
|--|------------------------------|--------------|
| | ----- | ----- |
| CURRENT ASSETS: | | |
| Cash | \$50,122 | |
| Accounts receivable | 6,217 | |
| | ----- | ----- |
| Total current assets | 56,339 | |
| PROPERTY AND EQUIPMENT: | | |
| Website (net of \$4,444 and \$1,945 amortization respectively) | 5,556 | |
| | ----- | ----- |
| TOTAL ASSETS | \$61,895 | |
| | ===== | ===== |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | |
|------------------|----------|
| LIABILITIES | |
| Accounts payable | \$13,042 |

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STOCKHOLDERS' EQUITY

| | |
|--|----------|
| Common stock, \$0.001 par value, 25,000,000 authorized, 4,422,000 and 4,200,000 shares issued and outstanding at September 30, 2001 and December 31, 2000 respectively | 4,422 |
| Additional paid-in-capital | 56,578 |
| Deficit accumulated during the development stage | (12,147) |

| | |
|----------------------------|--------|
| Total Stockholders' Equity | 48,853 |
|----------------------------|--------|

| | |
|--|----------|
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$61,895 |
|--|----------|

See notes to unaudited condensed financial statements

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FREEWILLPC.COM, INC.
a Development Stage Company

CONDENSED STATEMENT OF OPERATIONS

Three months and nine months ended September 30, 2001 and 2000, and
Period from inception (June 13, 2000) to September 30, 2001

| Three months ended 09/30/01 (Unaudited) | Three months ended 09/30/00 (Unaudited) | Nine months ended 09/30/01 (Unaudited) | Per June (Date) 0 (Un |
|--|--|---|-----------------------------------|
|--|--|---|-----------------------------------|

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| | | | |
|-------------------------------------|-----------|-----------|-----------|
| REVENUE: | | | |
| Sales | \$6,217 | \$0 | \$10,459 |
| COST OF SALES: | 4,923 | 0 | 8,220 |
| GROSS PROFIT | 1,294 | 0 | 2,239 |
| OPERATING EXPENSE: | | | |
| Depreciation and amortization | 833 | 833 | 2,500 |
| Consulting - related party | | | |
| General and administrative | 971 | 436 | 2,874 |
| Total Operating Expense | 1,804 | 1,269 | 5,374 |
| NET LOSS | (\$510) | (\$1,269) | (\$3,135) |
| Weighted average shares outstanding | 4,245,848 | 4,200,000 | 4,215,451 |
| Loss per share - basic and diluted | (\$0.00) | (\$0.00) | (\$0.00) |

See notes to unaudited condensed financial statements

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FREEWILLPC.COM, INC.
a Development Stage Company

STATEMENT OF STOCKHOLDERS' EQUITY AND ACCUMULATED DEFICIT
Period from inception (June 13, 2000) to September 30, 2001

| | Common Shares | Stock Amount | Paid In Capital | Accu De |
|---|------------------|-----------------|--------------------|------------|
| <hr style="border-top: 1px dashed black;"/> | | | | |
| Balance, | | | | |
| June 13, 2000 (date of inception) | -0- | -0- | -0- | |
| Shares issued on June 13, 2000 for: | | | | |
| Cash | 500,000 | 500 | | |
| Services | 3,500,000 | 3,500 | | |
| June 15, 2000 for: Website development | 200,000 | 200 | 9,800 | |
| Paid in capital by shareholder | | | 600 | |
| Net Loss | | | | |
| <hr style="border-top: 1px dashed black;"/> | | | | |
| Balance | | | | |
| December 31, 2000 | 4,200,000 | \$4,200 | \$10,400 | |
| <hr style="border-top: 3px double black;"/> | | | | |
| Sale of common stock | 222,000 | 222 | 55,278 | |
| Expenses of offering | | | (10,000) | |
| Paid in capital by shareholder | | | 900 | |
| Net Loss | | | | |
| <hr style="border-top: 1px dashed black;"/> | | | | |
| Balance | | | | |
| September 30, 2001 | 4,422,000 | 4,422 | 56,578 | |
| <hr style="border-top: 3px double black;"/> | | | | |

See notes to unaudited condensed financial statements

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FREEWILLPC.COM, INC.
a Development Stage Company

STATEMENT OF CASH FLOWS

Three months and nine months ended September 30, 2001 and 2000, and
Period from inception (June 13, 2000) to September 30, 2001

| | Three months ended 09/30/01 (Unaudited) | Three months ended 09/30/00 (Unaudited) | Nine months ended 09/30/01 (Unaudited) | J (Da |
|--|--|--|---|----------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Net loss | (\$510) | (\$1,269) | (\$3,135) | |
| Adjustments to reconcile net loss to net cash (used) by operating activities: | | | | |
| Increase (decrease) in accounts payable | 9,788 | (1,214) | 6,095 | |
| Decrease (increase) in accounts receivable | (6,217) | | (6,217) | |
| Items not requiring cash: | | | | |
| Stock issued for services | | | | |
| Amortization | 833 | 833 | 2,499 | |
| NET CASH (USED) BY OPERATING ACTIVITIES: | 3,894 | (1,650) | (758) | |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Purchase of assets | 0 | 0 | 0 | |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | |
| Sale of common stock (net of offering expense) | 45,500 | 0 | 45,500 | |
| Payment of expense by shareholder | 300 | 300 | 900 | |
| Total cash flows from financing activities | 45,800 | 300 | 46,400 | |

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| | | | |
|---------------------------|----------|-----------|----------|
| NET INCREASE IN CASH | \$49,694 | (\$1,350) | \$45,642 |
| CASH, BEGINNING OF PERIOD | 428 | 1,620 | 4,480 |
| | ----- | ----- | ----- |
| CASH, END OF PERIOD | \$50,122 | \$270 | \$50,122 |
| | ===== | ===== | ===== |

Note:

Non-cash investing activity - the company issued 200,000 shares valued at \$0.05 per share for a total of \$10,000 for development of its website.

See notes to unaudited condensed financial statements

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FREEWILLPC.COM, INC.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS
September 30, 2001

Note A - Presentation

The accompanying condensed financial statements have been prepared by the Company without audit and reflect all adjustments, consisting of normal recurring adjustments, accruals, and other items which are, in the opinion of management, necessary for a fair statement of the financial position of the Company as of September 30, 2001, and the related results of operations and cash flows for the interim periods indicated. The results of operations covered are not necessarily indicative of the results to be expected for the full year or any other interim period.

The statements have been prepared in accordance with the regulations of the Securities and Exchange Commission; accordingly, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted. The financial statements should be read in conjunction with the audited financial statements and notes thereto of FreewillPC.com, Inc. for the period June 13, 2000 (date of inception), to December 31, 2000, which are included in the Company's Form SB-1 filed with the Securities and Exchange Commission.

Note B - Common Stock Issuances

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On June 13, 2000, the Company issued 4,000,000 shares to the President for \$4,000, comprised of \$500 cash and \$3,500 of his services. The services were valued at \$3,500 and the stock issued at par since it was impossible to determine the fair value of the services. The common stock was issued upon formation of the Company for services performed before, during and after formation of the Company.

On June 15, 2000, the Company issued to an unrelated party 200,000 shares for the development of its website valued at \$10,000. The value assigned of to the website development was fair market value but the number of shares issued for this website was negotiated and determined by the Company and the developers of the website since there was no readily determinable market value for the shares. The basis for valuing the shares at \$0.05 per share, which is substantially below the offering price per share to the public, is that the developers were giving services in exchange for stock before offering shares to the public and the website was a prerequisite for the Company to start in business which then allowed the Company to offer shares to the public. The value substantially below the public offering price was negotiated since the developers were not guaranteed that the Company would be able to sell stock to the public and no guarantee that the Company would be successful. The value of \$0.05 per share is substantially above the price the President paid two days earlier since the President developed the plan for the Company over a period of time, formed the Company, and purchased shares immediately upon formation; the plan included the filing of a registration statement with the U.S. Securities and Exchange Commission to raise funds at \$0.25 per share.

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FREEWILLPC.COM, INC.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS September 30, 2001

Note B - Common Stock Issuances - (continued)

On July 26, 2001, the Company's Form SB-1 registration statement with the U.S. Securities & Exchange Commission became effective and allows the Company to sell registered common stock to fund the Company with a minimum of \$50,000 and a maximum of \$500,000, which represents 200,000 shares of common stock if the minimum is sold and 2,000,000 shares of common stock if the maximum is sold. As of September 30, 2001, the Company had sold 222,000 shares for \$55,500 under this registration statement.

Note C - Ability to Continue Operations

The Company's financial statements as of December 31, 2000 included in the Form SB-1 filing, contains a disclosure expressing substantial doubt regarding Freewill's ability to continue as a going concern. The Company has begun to raise additional capital. The future capital need swill be highly dependent on our ability to control expenses as well as the market's demand for Freewill's services and products. Thus, any projections of future cash needs and cash flows

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are subject to substantial uncertainty.

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Item 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
 CONDITION AND RESULTS OF OPERATIONS.

Results of Operations

The Registrant filed a registration statement on Form SB-1 with the Securities and Exchange Commission to raise a minimum of \$50,000 and a maximum of \$500,000 which became effective on July 26, 2001. The Registrant has raised funds under that registration statement and as of September 30, 2000 had sold 222,000 shares by raising \$55,500 and broken escrow. The Registrant continues to solicit funds under this Registration statement and is focusing most of its efforts on raising funds. Under this offering, the Registrant was authorized to sell a minimum of 200,000 shares and a maximum of 2,000,000 shares at \$0.25 per share, for a maximum of \$500,000.

As of the date of this filing, the Registrant is still soliciting funds under its offering, and spending most of its time and effort to raise those funds.

The Registrant is engaged in the sale of computers and computer peripheral products over the internet. We have done some limited marketing and have pursued combining computer consulting and sales as a way to increase our margins and visibility among small businesses. This allows us to target small businesses and offer them some sort of support which indirectly steers them to our website, even if we do not provide computer advice or consulting to them. We expect this will cause small businesses to think of us first in the future when they go to buy computers and/or computer peripheral equipment. We expect that we will finish our offering in the fourth quarter and do more advertising and product and website promotion after the offering is closed.

Liquidity

The Registrant has liquid assets of \$56,339 and total current assets of \$56,339. This amount includes the \$55,500 of funds raised in the offering described above. The Registrant has minimal expenses and no commitments.

Capital Resources

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The Registrant's capital resources have been generated from the sale of products through its web site and has capital resources from the sale of stock under its registration statement that became effective July 26, 2001.

There were no plans or requirements for purchase of capital items during the quarter for company purposes. The Registrant does not foresee any material capital purchase in the coming twelve months.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is not involved in any legal proceedings.

Item 2. Changes in Securities.

Registrant has made no changes in its securities.

Item 3. Defaults Upon Senior Securities.

Registrant has no senior securities and accordingly no defaults.

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

Registrant submitted no matters to a vote of security holders.

Item 5. Other Information.

None.

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

None.

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

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FreewillPC.com, Inc.

(Registrant)

BY: /s/ David McCune

David McCune
Its: President and Secretary

DATE: November 15, 2001
Rockwall, Texas