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RAINWIRE PARTNERS INC /DE/
Form 10QSB
November 15, 2002

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20459

FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF

THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended: September 30, 2002

Commission File Number: 0-23892

Rainwire Partners, Inc.

(Exact Name of Registrant as specified in its charter

Delaware

(State or other jurisdiction of incorporation or
organization

3480 Preston Ridge Road, Suite 500
Alpharetta, GA

Address of Principal executive offices of Incorporation
or organization

770-343-8196

Registrants telephone number, including area code

Suite 925, 8215 Roswell Road
Atlanta, GA, 30050

(Former name, former address and former fiscal year, if
changed since last report)

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 and 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 last 90 days.

YES [X]

NO []

APPLICABLE ONLY TO CORPORATE ISSUERS

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

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CLASS	No. of shares Outstanding on October 18, 2002
-----	-----
Common Stock Par Value \$.001 Per share	9,609,884

RAINWIRE PARTNERS, INC.

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RAINWIRE PARTNERS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS OF DISCONTINUED BUSINESS	September 30, 2002

	(unaudited)

CURRENT ASSETS

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Cash	\$	--

TOTAL CURRENT ASSETS	\$	--
		=====
LIABILITIES OF DISCONTINUED BUSINESS		
CURRENT LIABILITIES		
Related Party loans	\$	126,955
Accounts payable		813,166
Accrued business disposal costs and expenses		46,987
Other accrued liabilities		10,326

TOTAL CURRENT LIABILITIES		997,434

REDEEMABLE PREFERRED STOCK		
Par value \$.001; authorized 2,500,000 shares		
Series C, 24,959 shares outstanding		55,908
Series D, 500,000 shares outstanding		50,000

		105,908

COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, \$.001 par value; authorized, 100,000,000 shares issued, 19,609,885 and 19,909,886 shares		19,610
Paid-in capital		1,418,975
Accumulated (deficit)		(2,491,927)
Treasury Stock, 10,000,000 shares		(50,000)

TOTAL STOCKHOLDERS' EQUITY (DEFICIT)		(1,103,342)

	\$	--
		=====

The accompanying notes are an integral part of these financial statements

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	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2002	2001	2002	2001
Revenues	\$ --	\$ --	\$ --	\$ --
Expenses				
Income (loss) from continuing operations	--	--	--	--
Discontinued Operations:				
Income from discontinued operations	--	--	--	--
Net income	\$ --	\$ --	\$ --	\$ --
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	19,809,886	13,659,886	19,876,553	10,000,000
Basic And Diluted Net Income Per Common Share	\$ --	\$ --	\$ --	\$ --
Income From Discontinued Operations	--	--	--	--
Basic And Diluted Net Income Per Common Share	\$ --	\$ --	\$ --	\$ --

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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RAINWIRE PARTNERS, INC.
(A Development Stage Company)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended September 30,	
	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Continuing Operations	\$ --	\$ --
Discontinued Operations:		
Stock issued for services		
Capital contributed for services		
Adjustments to reconcile net loss to net cash flows used by discontinued activities		
Income (loss) from operations of discontinued business	--	--
Changes in current assets and liabilities:		
Accounts receivable		34,662

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Other current assets		
Deposits		6,257
Accrued liabilities	(12,818)	(46,366)
Provision for loss on disposal of the business		
Accounts payable		4,302
	-----	-----
Net cash flows used by discontinued activities	(12,818)	(1,145)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in other assets	--	--
	-----	-----
Net cash flows from (to) investing activities	--	--
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock		
Related Party Loans	12,030	
	-----	-----
Net cash flows from financing activities	12,030	
	-----	-----
NET CHANGE IN CASH FLOWS FOR THE PERIOD	(788)	(1,145)
CASH, AT BEGINNING OF PERIOD,	788	2,043
	-----	-----
CASH, AT END OF PERIOD	\$ --	\$ 898
	=====	=====
SUPPLEMENTARY NON-CASH INFORMATION		
Correction of share issuances, prior year	\$ (300)	
	=====	
Increase in paid-in capital	\$ 300	
	=====	

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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RAINWIRE PARTNERS, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	COMMON STOCK		PAID CAP
	SHARES	AMOUNT	
	-----	-----	-----
(AUDITED)			
Balance December 31, 2000	7,609,886	\$ 7,610	\$1,3
Shares issued for legal services at \$.025 per share on August 29, 2001	100,000	100	
Shares sold at \$.05 per share			

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on September 30, 2001	200,000	200	
Shares issued to retire debt on August 29, 2001 at \$.005 per share	12,000,000	12,000	
Accretion on redeemable preferred stock Management services contributed to capital Purchase of 25,000 shares as treasury stock for issuance of 25,000 shares of Series D convertible debentures, October 15, 2001			
Net income (loss) for the year	-----	-----	-----
Balance December 31, 2001 (UNAUDITED)	19,909,886	19,910	1,4
Correction of share issuances, prior year Net (loss) for the nine months	(300,001)	(300)	
	-----	-----	-----
BALANCE, September 30, 2002 (unaudited)	19,609,885	\$ 19,610	\$1,4
	=====	=====	=====

	TREASURY STOCK	TOTAL
	-----	-----
(AUDITED)		
Balance December 31, 2000	\$ --	\$ (1,162,845)
Shares issued for legal services at \$.025 per share on August 29, 2001		2,500
Shares sold at \$.05 per share on September 30, 2001		10,000
Shares issued to retire debt on August 29, 2001 at \$.005 per share		60,000
Accretion on redeemable preferred stock		(2,997)
Management services contributed to capital		40,000
Purchase of 25,000 shares as treasury stock for issuance of 25,000 shares of Series D convertible debentures, October 15, 2001	(50,000)	(50,000)
Net income (loss) for the year		--
	-----	-----
Balance December 31, 2001 (UNAUDITED)	(50,000)	(1,103,342)
Correction of share issuances, prior year Net (loss) for the nine months		--
	-----	-----
BALANCE, September 30, 2002 (unaudited)	\$ (50,000)	\$ (1,103,342)
	=====	=====

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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Note 1. Basis of Presentation

In the opinion of management, the accompanying unaudited consolidated condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Company's financial position as of September 30, 2002 and the consolidated results of its operations and cash flows for the nine months ended September 30, 2002 and 2001. Operating results for the nine months ended September 30, 2002 are not necessarily indicative of the results that may be expected for the year ended December 31, 2002.

These condensed financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company's Form 10-KSB for the year ended December 31, 2001.

Item 2. Management's Discussion And Analysis Of Financial Condition And Results Of Operations.

This 10-QSB contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Investors are cautioned that certain statements in this 10-QSB are "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and involve known and unknown risks, uncertainties and other factors. Such uncertainties and risks include, among others, certain risks associated with government regulation, and general economic and business conditions. Actual events, circumstances, effects and results may be materially different from the results, performance or achievements expressed or implied by the forward-looking statements. Consequently, the forward-looking statements contained herein should not be regarded as representations by the Company or any other person that the projected outcomes can or will be achieved.

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and Notes thereto, appearing elsewhere in this Form 10-QSB.

A. Results of Operations.

Third quarter of 2002 compared to third quarter of 2001.

There were no earned revenues in either quarter as the Company had discontinued all operations since January 1, 2000. The minor amount of expenses incurred in the current quarter were charged to the accrued estimated losses already provided as of December 31, 2000 for such anticipated amounts. These expense items were paid from advances received from Oasis Group, Inc. ("Oasis"). The Company had previously entered into a Share Exchange Agreement with Oasis, which was terminated on September 25, 2002. There was no cash activity for the comparable quarter in 2001.

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Nine months of 2002 compared to the same period a year ago.

There were no earned revenues in either period for the reason stated above. The minor amount of expenses incurred in both periods were charged to the accrued estimated losses already provided as of December, 31, 2000 for such anticipated amounts. All remaining assets of the Company were liquidated during the first quarter of 2001 with proceeds used to reduce outstanding indebtedness recorded as of December 31, 2000.

B. Financial Condition.

The Company is solely dependent on advances from related parties to continue in existence as the Company is in a negative financial position, has discontinued its operations as of December 31, 2000 and has substantial past due obligations and commitments. Its audited financial statements disclose a "going concern" paragraph in its most recent audited financial statements and nothing has changed that circumstance to date. The Company has no employees or facilities.

C. Plan of Operations.

For the near term, the Company is financially dependent on its shareholders, related parties and /or management, who have financed its existence to date. As a result of the termination of the Share Exchange Agreement with Oasis, the Company is currently seeking a suitable acquisition or merger candidate but has had no discussions with any potential candidate since the termination of the Share Exchange Agreement.

Item 3. Controls and Procedures

(a) Evaluation of disclosure controls and procedures. Within 90 days before filing this report, the Company evaluated the effectiveness of the design and operation of its disclosure controls and procedures. The Company's disclosure controls and procedures are the controls and other procedures that the Company has designed to ensure that it records, processes, summarizes and reports in a timely manner the information the Company must disclose in its reports filed under the Securities Exchange Act. Lyne Marchessault, President and Peggy A. Evans, Chief Financial Officer, reviewed and participated in this evaluation. Base on this evaluation, Ms. Marchessault and Ms. Evans concluded that, as of the date of their evaluation, the Company's disclosure controls and procedures were effective.

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(b) Internal controls. Since the date of the evaluation described above, there have not been any significant changes in the Company's internal controls or in other factors that could significantly affect those controls, including any corrective actions with regard to significant deficiencies an material weakness.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

No material change.

Item 2. Changes in Securities and Use of Proceeds

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None

Item 3. Defaults Upon Senior Securities

Under the terms of our Series D Preferred Stock, if the Company shall fail to pay a dividend to the holders of the Series D for two consecutive quarters, the Series D shall be convertible into fifty million (50,000,000) shares of the common stock of the Company so long as such dividends remain unpaid. As of the date of the filing of this Quarterly Report, the Company has failed to pay a dividend for two consecutive quarters and the conversion feature has been triggered, although the holder has not converted the preferred stock. As of the date of the filing of this Quarterly Report, the Company does not have a sufficient number of authorized but unissued shares available to effect such a conversion; however, after the Company files its Amendment to its Certificate of Incorporation (as discussed in Item 4), the Company will have a sufficient number of shares to effect the conversion if the holder so elects.

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

On October 10, 2002, Rainwire's Board of Directors unanimously approved an Amendment to Rainwire's Certificate of Incorporation that increases the number of authorized shares from 20,000,000 to 300,000,000 shares of common stock, par value \$.001, and increases the number of authorized shares from 2,500,000 to 30,000,000 shares of preferred stock, par value \$.001. The amendment was approved by a majority of Rainwire's stockholders by written consent on October 18, 2002.

On October 11, 2002, Rainwire filed a Preliminary Information Statement on Schedule 14C in connection with the proposed amendment to its Certificate of Incorporation. Rainwire filed the Definitive Information Statement on Schedule 14C on November 12, 2002. The amendment will become effective upon the expiration of certain waiting periods mandated by Regulation 14A and 14C of the Securities Exchange Act of 1934, as amended, and upon the filing of the Certificate of Amendment with the Secretary of State of the State of Delaware, which is expected to occur on or about December 5, 2002.

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Item 5. Other Information

On September 25, 2002, the Company terminated the Amended and Restated Plan and Agreement to Exchange Stock with Oasis Group, Inc. ("Oasis") dated as of December 19, 2001 (the "Share Exchange Agreement"), whereby Oasis would have become a wholly owned subsidiary. In addition, on September 25, 2002, the Company withdrew its Registration Statement on Form S-4 in connection with the Share Exchange (the "Registration Statement").

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

Form 8-K

On September 30, 2002, the Company filed a Current Report on Form 8-K reporting the termination of the Share Exchange Agreement and the withdrawal of the Registration Statement.

Exhibits

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- 99.1 Certification by Lyne Marchessault, President of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.2 Certification by Peggy A. Evans, Chief Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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 on November 14, 2002.

Rainwire Partners, Inc.,
a Delaware corporation

By: /s/ Lyne Marchessault

Name: Lyne Marchessault
Title: President

By: /s/ Peggy Evans

Name: Peggy Evans
Title: Chief Financial and Accounting
Officer

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CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-QSB of Rainwire Partners, Inc. for the period ending September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof, I, Lyne Marchessault, President of registrant, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 302 of the Sarbanes-Oxley Act of 2002, that:

(1) I have reviewed this quarterly report on Form 10-QSB of Rainwire Partners, Inc.;

(2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and

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(3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of registrant as of, and for, the periods presented in this quarterly report; and

(4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

(c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

(5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and

report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

(6) The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: November 14, 2002

By: /s/ Lyne Marchessault

Lyne Marchessault
President

This certification accompanies this Quarterly Report on Form 10-QSB pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

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CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-QSB of Rainwire Partners, Inc., for the period ending September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof, I, Peggy A. Evans, Chief Financial Officer of registrant, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 302 of the Sarbanes-Oxley Act of 2002, that:

(1) I have reviewed this quarterly report on Form 10-QSB of Rainwire Partners, Inc.;

(2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and

(3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of registrant as of, and for, the periods presented in this quarterly report; and

(4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

(c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

(5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and

report financial data and have identified for the registrant's auditors

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any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

(6) The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: November 14, 2002

By: /s/ Peggy A. Evans

Peggy A. Evans
Chief Financial Officer

This certification accompanies this Quarterly Report on Form 10-QSB pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.