

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-QSB

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

For Quarter Ended: June 30, 2001

Commission File Number 0-32353

EASYWEB, INC.

(Exact name of registrant as specified in its charter)

COLORADO

84-1475642

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

6025 South Quebec Street, Suite 150, Englewood, Colorado

80111

(Address of principal executive offices)

(Zip code)

(720) 489-8873

(Registrant's telephone number, including area code)

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

Indicate by check whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No
----- -----

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

Common stock, no par value 3,590,200

Class Number of shares outstanding at August 13, 2001

This document is comprised of 9 pages.

FORM 10-QSB
2ND QUARTER

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EASYWEB, INC.
(A Development Stage Company)

Condensed Balance Sheet
(Unaudited)

June 30, 2001

Assets

Current assets:

Cash	\$ 5,856
Prepaid expenses	3,000

Total current assets	8,856

Web site development costs, net	1,344

\$ 10,200
=====

Liabilities and Shareholders' Deficit

Current liabilities:

Accounts payable and accrued liabilities	\$ 4,300
Due to affiliate (Note B)	54
Indebtedness to related parties	6,000

Total current liabilities	10,354

Common stock subject to rescission, 16,000 shares (March 2000)	4,000

Shareholders' deficit:

Common stock	89,050
Additional paid-in capital	29,980
Deficit accumulated during development stage	(123,184)

Total shareholders' deficit	(4,154)

\$ 10,200
=====

See accompanying notes to condensed financial statements

EASYWEB, INC.
(A Development Stage Company)
Condensed Statements of Operations
(Unaudited)

	Three Months Ended		Six Months Ended		September 24,
	June 30,		June 30,		1998
	2001	2000	2001	2000	(Inception) through June 30, 2001
Revenue:					
Commissions, related party	\$ -	\$ 4,000	\$ -	\$ 4,000	\$ 4,000
Commissions, other	573	-	913	-	2,164
Total revenue	573	4,000	913	4,000	6,164
Operating expenses:					
Rent (Note B)	1,000	1,333	1,000	1,333	3,333
Contributed rent (Note B)	500	167	2,000	1,667	9,667
Administrative support (Note B)	197	2,667	489	2,667	5,689
Contributed administrative support (Note B)	2,803	333	5,511	3,333	20,311
Salaries and payroll taxes	-	8,988	-	8,988	20,729
Professional fees	5,524	2,075	13,533	2,785	30,722
Web site consulting and maintenance	490	7,370	706	7,370	10,841
Information technology agreement	-	-	-	-	8,269
Advertising	-	8,229	-	8,382	11,914
Depreciation and amortization	187	247	375	247	1,064
Other	1,696	1,718	2,484	1,718	6,809
Total operating expenses	(12,397)	(33,127)	(26,098)	(38,490)	(129,348)
Operating loss	(11,824)	(29,127)	(25,185)	(34,490)	(123,184)
Income taxes (Note C)	-	-	-	-	-
Net Loss	\$ (11,824)	\$ (29,127)	\$ (25,185)	\$ (34,490)	\$ (123,184)
Basic and diluted loss per common share.....					
	\$ -0-	\$ -0-	\$ -0-	\$ -0-	
Basic and diluted weighted average					
common shares outstanding.....	3,590,200	3,590,200	3,590,200	3,396,100	

See accompanying notes to condensed financial statements

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EASYWEB, INC.
(A Development Stage Company)
Condensed Statements of Cash Flows
(Unaudited)

	Six Months Ended		September 24,
	June 30,		1998
	2001	2000	(Inception) through June 30, 2001
Net cash (used in) operating activities	\$ (20,851)	\$ (32,315)	\$ (88,836)
Cash flows from investing activities:			
Equipment purchase	-	(400)	(400)
Payments for intangible assets	-	(2,250)	(2,458)
Net cash (used in) investing activities	-	(2,650)	(2,858)
Cash flows from financing activities:			
Proceeds on advances from related parties	-	-	6,000
Proceeds from the sale of common stock	-	97,050	101,550
Proceeds from the sale of common stock subject to rescission	-	4,000	4,000
Payments for offering costs	-	-	(14,000)
Net cash provided by financing activities	-	101,050	97,550
Net change in cash	(20,851)	66,085	5,856
Cash, beginning of period	26,707	1,091	-

Cash, end of period	----- \$ 5,856 -----	----- \$ 67,176 -----	----- \$ 5,856 -----
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Interest	\$ -	\$ -	\$ -
Income taxes	\$ -	\$ -	\$ -
Non-cash financing activity:			
Stock issued for satisfaction of debt	\$ -	\$ -	\$ 1,500

See accompanying notes to condensed financial statements

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EASYWEB, INC.
(A Development Stage Company)

Notes to Unaudited Condensed Financial Statements

Note A: Basis of presentation

The financial statements presented herein have been prepared by the Company in accordance with the accounting policies in its amended Form 10-SB dated December 31, 2000 and updated through March 31, 2001, and should be read in conjunction with the notes thereto.

In the opinion of management, all adjustments (consisting only of normal recurring adjustments) which are necessary to provide a fair presentation of operating results for the interim period presented have been made. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the year.

The Company is in the development stage in accordance with Statements of Financial Accounting Standards (SFAS) No. 7 "Accounting and Reporting by Development Stage Enterprises". As of June 30, 2001, the Company has devoted substantially all of its efforts to financial planning, raising capital and developing markets.

Financial data presented herein are unaudited.

Note B: Related party transactions

The Company paid an affiliate \$4,000 during April 2001 to rent office space for the period from April 1, 2001 through March 31, 2002. As of June 30, 2001, \$1,000 is expensed as rent and \$3,000 is capitalized as prepaid expense in the accompanying condensed unaudited financial statements. The Company's management estimated the fair market value of the office space at \$500 per month. Therefore, an additional \$2,000 was expensed as rent during the six months ended June 30, 2001, with an offsetting credit to additional paid-in capital.

The Company paid an affiliate \$489 during the six months ended June 30, 2001 for administrative services performed on behalf of the Company. The Company's management estimated the fair value of the services at \$1,000 per month. Therefore, an additional \$5,511 was expensed as contributed administrative support during the six months ended June 30, 2001, with an offsetting credit to additional paid-in capital.

The Company owed the affiliate \$54 for administrative expenses at June 30, 2001, which is included in the accompanying condensed balance sheet as due to affiliate. The Company repaid the affiliate in July 2001.

Note C: Income taxes

The Company records its income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes". The Company incurred net operating losses during the six months ended June 30, 2001 resulting in a deferred tax asset, which was fully allowed for; therefore, the net benefit and expense resulted in \$-0-income taxes.

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Part I. Item 2. Plan of operation

EASYWEB, INC.
(A Development Stage Company)

PLAN OF OPERATION

The Company plans to continue to design, market, sell and maintain customized and turnkey web sites on the Internet that are hosted by third parties. To date, revenues from these services have been minimal. The Company intends to generate increased revenue through the expenditure of additional funds for marketing, advertising and promotion. The Company believes that the revenue generated from operations may not be sufficient to finance future activities and that it may be necessary to raise additional funds through equity and/or debt financing in the next twelve months. There is no assurance that the Company will be able to generate additional capital for marketing, advertising and promotion and/or other purposes. In the event that only limited additional financing is received, the Company expects its opportunities in the design, marketing, and sale of Internet web sites to be limited.

The Company filed a Registration Statement on Form 10-SB with the Securities and Exchange Commission ("SEC") in February of 2001 to register its no par value common stock. To date, the SEC has not declared the Form 10-SB effective.

The Company does not intend to hire any additional employees in the foreseeable future. The Company does not intend to make significant equipment purchases within the next twelve months.

FINANCIAL CONDITION

As of June 30, 2001, the Company had total assets of \$10,200 as compared to \$28,426 at December 31, 2000. The decrease was related to net losses of \$25,185 incurred during the six months ended June 30, 2001.

RESULTS OF OPERATIONS

During the six months ended June 30, 2001, the Company recorded sales totaling \$913 as compared with \$4,000 for the six months ended June 30, 2000. The \$4,000 sale in 2000 was the result of a related party transaction. The Company recorded no sales with unrelated third parties during the six months ended June 30, 2000.

Operating expenses decreased from \$38,490 for the six months ended June 30, 2000 to \$26,098 for the six months ended June 30, 2001. The operating expenses decreased because of (1) a decrease in salaries and payroll taxes, and (2) a decrease in advertising expenses. Management reduced these expenses because of the Company's limited working capital.

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Part I. Item 2. Plan of operation, continued

EASYWEB, INC.
(A Development Stage Company)

Special note regarding forward-looking statements

This report contains forward-looking statements within the meaning of federal securities laws. These statements plan for or anticipate the future. Forward-looking statements include statements about our future business plans and strategies, statements about our need for working capital, future revenues, results of operations and most other statements that are not historical in nature. In this Report, forward-looking statements are generally identified by the words "intend", "plan", "believe", "expect", "estimate", and the like. Investors are cautioned not to put undue reliance on forward-looking statements. Except as otherwise required by applicable securities statutes or regulations, the Company disclaims any intent or obligation to update publicly these forward-looking statements, whether as a result of new information, future events or otherwise. Because forward-looking statements involve future risks and

uncertainties, these are factors that could cause actual results to differ materially from those expressed or implied.

Part 2. Other Information

Items 1 through 5 - No response required.

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

There were no reports on Form 8-K.

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SIGNATURES

The financial information furnished herein has not been audited by an independent accountant; however, in the opinion of management, all adjustments (only consisting of normal recurring accruals) necessary for a fair presentation of the results of operations for the three and six months ended June 30, 2001 have been included.

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

EASYWEB, INC.
(Registrant)

DATE: August 13, 2001

BY: /s/ David C. Olson

David C. Olson
President

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