

MARINE JET TECHNOLOGY CORP
Form 10QSB
November 12, 2004

=====

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 the quarterly period ended September 30, 2004

OR

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

Commission File Number: **000-33297**

MARINE JET TECHNOLOGY CORP.

(Exact name of small business issuer as specified in its charter)

Nevada 88-0450923
(State or other jurisdiction of incorporation or (IRS Employer Identification No.)
organization)

4805 158 Court NE
Redmond, Washington 98052

(Address of principal executive offices)

(425) 869-2723

(Issuer's telephone number)

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 ☒ No ☐

=====

PART I.

Item 1. Financial Statements

Table of Contents

Page

Edgar Filing: MARINE JET TECHNOLOGY CORP - Form 10QSB

Report of Independent Registered Public Accounting Firm	F-1
Financial Statements:	
Balance sheets	F-2
Statements of operations and accumulated deficit	F-3
Statement of changes in stockholders' equity	F-3 - F-4
Statements of cash flows	F-5
Notes to Financial Statements	F-6 - F-7

-2-

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
Marine Jet Technology, Corp:

We have reviewed the accompanying balance sheet of Marine Jet Technology, Corp. (a Development Stage Company incorporated in Nevada) as of September 30, 2004 and the related statements of operations and accumulated deficit for the three and nine months ended September 30, 2004 and 2003 and from February 9, 2000 (date of inception) to September 30, 2004, and the statements of cash flows for the three and nine months ended September 30, 2004 and 2003 and from February 9, 2000 (date of inception) to September 30, 2004. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As disclosed in Note 5, certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments to the financial statements that might be necessary should the Company be unable to continue as a going concern.

October 27, 2004
Henderson, Nevada

/s/ Chavez & Koch, CPA's
Chavez & Koch, CPA's

F-1

-3-

MARINE JET TECHNOLOGY, CORP.
(A Development Stage Company)
BALANCE SHEET
AS OF SEPTEMBER 30, 2004
(UNAUDITED) AND DECEMBER 31, 2003 (AUDITED)

	<u>9/30/2004</u>	<u>12/31/2003</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 2,220	\$ 9,766
	<u>2,220</u>	<u>9,766</u>
Total current assets	<u>2,220</u>	<u>9,766</u>
FIXED ASSETS:		
Office equipment	689	689
Equipment and machinery	30,000	30,000
Accumulated depreciation	(18,798)	(14,232)
	<u>11,891</u>	<u>16,457</u>
Total fixed assets	<u>11,891</u>	<u>16,457</u>

OTHER ASSETS:

Edgar Filing: MARINE JET TECHNOLOGY CORP - Form 10QSB

Amortized Intangible Assets:		
Proprietary rights agreement	1,000	1,000
Patents	55,238	55,238
Accumulated amortization	(17,392)	(14,363)
	<u>38,846</u>	<u>41,875</u>
Total other assets		
	<u>38,846</u>	<u>41,875</u>
TOTAL ASSETS	\$ 52,957	\$ 68,098
	<u></u>	<u></u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Notes payable-shareholder	\$ 12,286	\$ 15,203
Note payable	30,467	-
	<u>42,753</u>	<u>15,203</u>
Total current liabilities		
	<u>42,753</u>	<u>15,203</u>
STOCKHOLDERS' EQUITY:		
Common stock, \$0.001 par value, 45,000,000 shares authorized 21,822,570 and 20,782,570 issued and outstanding as of 9/30/04 and 12/31/03.	21,823	20,783
Preferred stock, \$0.001 par value, 5,000,000 shares authorized, no shares issued and outstanding as of 9/30/04 and 12/31/03.	-	-
Additional paid-in capital	287,355	177,595
Accumulated deficit during development stage	(298,974)	(145,483)
	<u>10,204</u>	<u>52,895</u>
Total stockholders' equity		
	<u>10,204</u>	<u>52,895</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 52,957	\$ 68,098
	<u></u>	<u></u>

The accompanying report of independent registered public accounting firm and notes to the financial statements should be read in conjunction with these Balance Sheets.

F-2

-4-

MARINE JET TECHNOLOGY, CORP.
(A Development Stage Company)
STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT
FOR THE THREE AND NINE MONTHS ENDED SEPT. 30, 2004 & 2003
AND FROM INCEPTION TO SEPT. 30, 2004

UNAUDITED

3 months ended

9 months ended

Inception to

Edgar Filing: MARINE JET TECHNOLOGY CORP - Form 10QSB

	<u>9/30/2004</u>	<u>9/30/2003</u>	<u>9/30/2004</u>	<u>9/30/2003</u>	<u>9/30/2004</u>
REVENUES:	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENSES:					
General and administrative expenses	(129,110)	(4,204)	(144,846)	(28,861)	(266,792)
Depreciation expense	(1,533)	(1,538)	(4,565)	(4,561)	(18,797)
Amortization expense	(1,017)	(1,020)	(3,030)	(3,027)	(17,392)
TOTAL EXPENSES	<u>(131,660)</u>	<u>(6,762)</u>	<u>(152,441)</u>	<u>(36,449)</u>	<u>(302,981)</u>
OPERATING INCOME (LOSS)	<u>(131,660)</u>	<u>(6,762)</u>	<u>(152,441)</u>	<u>(36,449)</u>	<u>(302,981)</u>
Other income (expense):					
Interest expense	(600)	(50)	(1,050)	(50)	(1,843)
Gain on forgiveness of debt	-	-	-	-	5,850
TOTAL OTHER INCOME (EXPENSE)	<u>(600)</u>	<u>(50)</u>	<u>(1,050)</u>	<u>(50)</u>	<u>4,007</u>
NET INCOME (LOSS)	<u>(132,260)</u>	<u>(6,812)</u>	<u>(153,491)</u>	<u>(36,499)</u>	<u>(298,974)</u>
Accumulated deficit, beginning of period	<u>(166,714)</u>	<u>(133,604)</u>	<u>(145,483)</u>	<u>(103,917)</u>	<u>-</u>
Accumulated deficit, end of period	<u>\$ (298,974)</u>	<u>\$ (140,416)</u>	<u>\$ (298,974)</u>	<u>\$ (140,416)</u>	<u>\$ (298,974)</u>
Weighted average number of shares outstanding	<u>21,250,330</u>	<u>20,732,570</u>	<u>21,094,979</u>	<u>20,732,570</u>	<u>19,640,247</u>
Net income (loss) per basic shares	<u>\$ (0.01)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.00)</u>	<u>\$ (0.02)</u>
Net income (loss) per diluted shares	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>

The accompanying report of independent registered public accounting firm and notes to the financial statements should be read in conjunction with these Statements of Operations and Accumulated Deficit.

MARINE JET TECHNOLOGY, CORP.
(A Development Stage Company)
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FROM INCEPTION TO SEPTEMBER 30, 2004
(UNAUDITED)

	Shares	Common Stock	Additional Paid-in Capital	Accumulated Deficit During Dev. Stage	Total Stockholders' Equity
<u>Issued for cash</u>					
February 11, 2000	105,000	\$ 105	\$ -	\$ -	105
<u>Issued for cash</u>					
February 12, 2000	3,125,000	3,125	-	-	3,125
<u>Issued for cash</u>					
May 18, 2000	100,000	100	-	-	100
<u>Issued for proprietary rights agreement</u>					
May 19, 2000	1,000,000	1,000	-	-	1,000
<u>Issued for patents</u>					
May 19, 2000	15,875,000	15,875	33,906	-	49,781
<u>Expense paid for by an officer & director December 31, 2000</u>	-	-	4,790	-	4,790
<u>Net income (loss)</u>					
December 31, 2000	-	-	-	(18,718)	(18,718)
<u>Balance December 31, 2000</u>	20,205,000	20,205	38,696	(18,718)	40,183
<u>504 Offering</u>					
July 31, 2001	527,570	528	104,986	-	105,514
<u>Expenses paid for by an officer & director September 30, 2001</u>	-	-	11,575	-	11,575
<u>Expenses paid for by an officer & director December 31, 2001</u>	-	-	3,179	-	3,179
<u>Net income (loss)</u>					
December 31, 2001	-	-	-	(49,650)	(49,650)

Edgar Filing: MARINE JET TECHNOLOGY CORP - Form 10QSB

<u>Balance December 2001</u>	<u>20,732,570</u>	<u>20,733</u>	<u>158,436</u>	<u>(68,368)</u>	<u>110,801</u>
<u>Expenses paid for by an officer & director December 31, 2002</u>	-	-	9,844	-	9,844
<u>Net income (loss) December 31, 2002</u>	-	-	-	(35,549)	(35,549)
<u>Balance December 31, 2002</u>	<u>20,732,570</u>	<u>20,733</u>	<u>168,280</u>	<u>(103,917)</u>	<u>85,096</u>

The accompanying report of independent registered public accounting firm and notes to the financial statements should be read in conjunction with these Statements of Changes in Stockholders' Equity.

F-4

-6-

MARINE JET TECHNOLOGY, CORP.
(A Development Stage Company)
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FROM INCEPTION TO SEPTEMBER 30, 2004
(UNAUDITED)

	<u>Shares</u>	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit During Dev. Stage</u>	<u>Total Stockholders' Equity</u>
<u>Expense reimbursement to an officer & director March 31, 2003</u>	-	-	(635)	-	(635)
<u>Issued for cash December 16, 2003</u>	50,000	50	9,950	-	10,000
<u>Net income (loss) December 31, 2003</u>	-	-	-	(41,566)	(41,566)
<u>Balance December 31, 2003</u>	<u>20,782,570</u>	<u>20,783</u>	<u>177,595</u>	<u>(145,483)</u>	<u>52,895</u>
<u>Net income (loss) March 31, 2004</u>	-	-	-	(11,316)	(11,316)
<u>Balance March 31, 2004</u>	<u>20,782,570</u>	<u>20,783</u>	<u>177,595</u>	<u>(156,799)</u>	<u>41,579</u>

<u>Net income (loss)</u>					
June 30, 2004	-	-	-	(9,915)	(9,915)
<u>Balance June 30, 2004</u>	20,782,570 \$	20,783 \$	177,595 \$	(166,714) \$	31,664
<u>Issued for services</u>					
July 9, 2004	1,000,000	1,000	99,000	-	100,000
<u>Issued for services</u>					
July 27, 2004	40,000	40	10,760	-	10,800
<u>Net income (loss)</u>					
September 30, 2004	-	-	-	(132,260)	(132,260)
<u>Balance September 30, 2004</u>	21,822,570 \$	21,823 \$	287,355 \$	(298,974) \$	10,204

The accompanying report of independent registered public accounting firm and notes to the financial statements should be read in conjunction with these Statements of Changes in Stockholders' Equity.

F-5

-7-

MARINE JET TECHNOLOGY, CORP.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2004 & 2003
AND FROM INCEPTION TO SEPTEMBER 30, 2004

UNAUDITED

CASH FLOWS FROM OPERATING
ACTIVITIES:

Three months ended		Nine months ended		Inception to
9/30/2004	9/30/2003	9/30/2004	9/30/2003	9/30/2004

Edgar Filing: MARINE JET TECHNOLOGY CORP - Form 10QSB

Net income (loss)	\$ (132,260)	\$ (6,812)	\$ (153,491)	\$ (36,499)	\$ (298,974)
Adjustments to reconcile net loss with net cash					
used in operating activities:					
Depreciation and amortization	2,550	2,558	7,595	7,588	36,191
Stock issued for services	110,800		110,800		110,800
(Increase) decrease in prepaid expenses	-	405		405	
NET CASH USED IN OPERATING ACTIVITIES	<u>(18,910)</u>	<u>(3,849)</u>	<u>(35,096)</u>	<u>(28,506)</u>	<u>(151,983)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of capital assets	-	-	-	-	(30,689)
Purchase of licensing agreement, patents	-	-	-	-	(5,458)
NET CASH USED IN INVESTING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,147)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:					
Note payable-shareholder	(9,867)	5,050	(2,917)	15,050	12,286
Note payable	20,467	-	30,467	-	30,467
Proceeds from issuance of capital stock	-	-	-	-	118,843
Capital contributions through expenses pd. by officer	-	-	-	(635)	28,754
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>10,600</u>	<u>5,050</u>	<u>27,550</u>	<u>14,415</u>	<u>190,350</u>
NET INCREASE (DECREASE) IN CASH	(8,310)	1,201	(7,546)	(14,091)	2,220
CASH, BEGINNING OF PERIOD	<u>10,530</u>	<u>922</u>	<u>9,766</u>	<u>16,214</u>	<u>-</u>
CASH, END OF PERIOD	<u>\$ 2,220</u>	<u>\$ 2,123</u>	<u>\$ 2,220</u>	<u>\$ 2,123</u>	<u>\$ 2,220</u>
Supplemental disclosures:					
Interest paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Taxes paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying report of independent registered public accounting firm and notes to the financial statements should be read in conjunction with these Statements of Cash Flows.

MARINE JET TECHNOLOGY, CORP.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
AS SEPTEMBER 30, 2004

BASIS OF PRESENTATION

The unaudited financial statements as of September 30, 2004 included herein have been prepared without audit 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 United States generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. It is suggested that these financial statements be read in conjunction with the December 31, 2003 audited financial statements and notes thereto.

NOTE 1 - RECLASSIFICATIONS

Certain reclassifications have been made to the September 30, 2004 amounts to conform with the December 31, 2003 financial statements presentation. These reclassifications had no effect on net earnings. Other reclassifications have been made to describe the accounts more appropriately.

NOTE 2 - RELATED PARTY TRANSACTIONS

During the three months ended September 30, 2004, the Company repaid a note from an individual who is an officer, director and shareholder of the Company.

Name	Balance as of 09/30/04
Jeff Jordan	\$12,286

During the three months ended September 30, 2004, the Company incurred interest expense in the amount of \$133.

NOTE 3 - NOTE PAYABLE

On August 3, 2004, the Company issued a note payable to obtain \$20,000 in financing. The note is due on or before January 31, 2005, and bears interest at 8% per annum.

F-7

-9-

MARINE JET TECHNOLOGY, CORP.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
AS SEPTEMBER 30, 2004

NOTE 4 - STOCKHOLDERS' EQUITY

On July 9, 2004, the Company issued 1,000,000 shares of common stock to an individual in exchange for consulting services valued at \$100,000. The value of the services is based on the fair market value of the Company's stock on the date of issuance.

On July 27, 2004, the Company issued 40,000 shares of common stock to a corporation in exchange for consulting services valued at \$10,800. The value of the services is based on the fair market value of the Company's stock on the date of issuance.

NOTE 5 - GOING CONCERN

The Company's financial statements are prepared using the generally accepted accounting principles applicable to a going concern, which assumes the realization of assets and liquidation of liabilities in the normal course of business.

Since the Company has not commenced its planned principal operations, the Company intends to raise sufficient capital needed to continue operating until its planned principal operations commence.

The Company anticipates the ability to raise additional money through Private Placement Memorandums. Additionally, the Company plans to curtail expenses so that the current cash balance will allow the company to continue to operate.

Without realization of additional capital, it would be unlikely for the Company to continue as a going concern.

The officers and directors are involved in other business activities and may, in the future, become involved in other business opportunities. If a specific business opportunity becomes available, such persons may face a conflict in selecting between the Company and their other business interests. The Company has not formulated a policy for the resolution of such conflicts.

F-8

-10-

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

Forward-Looking Statements

This Quarterly Report contains forward-looking statements about Marine Jet Technology Corporation's business, financial condition and prospects that reflect management's assumptions and beliefs based on information currently available. We can give no assurance that the expectations indicated by such forward-looking statements will be realized. If any of our management's assumptions should prove incorrect, or if any of the risks and uncertainties underlying such expectations should materialize, Marine Jet's actual results may differ materially from those indicated by the forward-looking statements.

The key factors that are not within our control and that may have a direct bearing on operating results include, but are not limited to, acceptance of our services, our ability to expand our customer base, managements' ability to raise capital in the future, the retention of key employees and changes in the regulation of our industry.

There may be other risks and circumstances that management may be unable to predict. When used in this Quarterly Report, words such as, "believes," "expects," "intends," "plans," "anticipates," "estimates" and similar expressions are intended to identify forward-looking statements, as defined in Section 21E of the Securities Exchange Act of 1934, although there may be certain forward-looking statements not accompanied by such expressions. The safe harbors of forward-looking statements provided by Section 21E of the Exchange Act are unavailable to issuers of penny stock. As we issued securities at a price below \$5.00 per share, our shares are considered penny stock and such safe harbors set forth under the Reform Act are unavailable to us.

General

Marine Jet Technology Corporation is a corporation formed in the State of Nevada in February 9, 2000. We intend to develop marine jet propulsion systems for sale and to license the rights to manufacture these systems and/or boats incorporating our technology under the name "Quick Jet." We plan to develop and market the Quick Jet technology to produce a proprietary marine jet propulsion system that offers the low-speed thrust and acceleration of a propeller drive, while retaining the safety, convenience and maneuverability of a traditional jet design.

Our goal is to sell the Quick Jet system in combination with available marine motors to boat manufacturers, who we expect to produce boats incorporating our licensed technology. We may also license one or more manufacturers to sell systems based on the technology. In return, manufacturers will pay us a royalty on each boat or engine sold that utilizes our technology. We currently do not intend to produce the Quick Jet engines in-house. Marine Jet anticipates that the use of existing production and sales capacity offers the most rapid market penetration. For this reason, our strategy centers on developing joint venture and licensing relationships with boat and motor manufacturers. We have yet to identify such companies or enter into any manufacturing relationships or joint ventures. Our Internet site, "www.marinejettech.com," is available for industry participants and consumers to learn about our Quick Jet technology. We believe that our web site is ideal for answering technical questions, building credibility and creating market interest.

We have developed a fully-operational prototype propulsion system. This system has been undergoing test, research and further development by our management. Our management has been working on the controls for the system to improve the maneuverability and convenience of the QuickJet. Although the prototype has generally met our management's expectations, we have been unable to retain either an independent firm or the instrumentation to accurately measure the performance specifications of the prototype.

Plan of Operation

Since our formation on February 9, 2000 through September 30, 2004, we accumulated a deficit of \$(298,974). Marine Jet's efforts have focused primarily on the development of our plan of operations, entering into agreements to utilize proprietary technology, obtaining assets to further develop a prototype Quick Jet motor and raising working capital through equity financing.

Our management anticipates the need to recruit a management team experienced in the marketing of new technology in similar markets, to generate interest in our Quick Jet technology. However, due to the limited availability of funds with which to pay salaries, we intend to make stock options a substantial portion of the compensation package for such a management team. The conversion of such securities may dilute your interest in our company as a shareholder.

We have developed controls for the test boat and used it to produce a promotional video, which we are disseminating to industry participants. Our management believes that the cash on hand will limit the progress on these tasks and that failure to obtain additional financing will delay or prevent the completion of such promotional material.

To fund our operations for the remaining two quarters of 2004, our management believes that our current financial resources will not be adequate to provide for our working capital needs. There are no preliminary loan agreements or understandings between us, our officers, directors or affiliates or lending institutions. We have no arrangements or commitments for accounts and accounts receivable financing. There are no plans or intentions to acquire a significant plant and/or any equipment, nor to divest any of our current assets or equipment.

Our management expects the need to raise additional capital via a public or private offering of equity or debt securities to provide funding for ongoing operations. There are no formal or informal agreements to attain such financing. Any capital attained from the sale of equity or debt securities will be utilized to manufacture an initial production run of Quick Jet systems to provide to potential customers for testing in their boats. In order to be able to begin producing marketable Quick Jet systems, we intend to use any proceeds from sales of our equity or debt securities to purchase patterns for castings, tooling for machining those castings and labor to assemble and test the production Quick Jet systems that result.

However, we cannot assure you that any financing can be obtained or, if obtained, that it will be on reasonable terms. Without realization of additional capital, our management believes that it would be unlikely for us to continue as a going concern.

To generate revenues, we plan to:

1. Begin selling Quick Jet systems to boat builders;
2. Enter into joint venture marketing agreements with one or more engine builders to sell a propulsion package to boat builders; or
3. Enter into a joint venture licensing agreement with one or more manufacturers to build and sell systems and boats based upon the Quick Jet technology.

-12-

Because we are a development stage company with no significant operating history and a poor financial condition, we may be unsuccessful in obtaining such financing or the amount of the financing may be minimal and therefore inadequate to implement our plan of operations. We have no alternative plan of operations. In the event that we do not receive financing or our financing is inadequate or if we do not adequately implement an alternative plan of operations that enables us to conduct operations without having received adequate financing, we may have to liquidate our business and undertake any or all of the following actions:

1. Sell or dispose of our assets;

2. Pay our liabilities in order of priority, if we have available cash to pay such liabilities;
3. If any cash remains after we satisfy amounts due to our creditors, distribute any remaining cash to our shareholders in an amount equal to the net market value of our net assets;
4. File a Certificate of Dissolution with the State of Nevada to dissolve our corporation and close our business;
5. Make the appropriate filings with the Securities and Exchange Commission so that we will no longer be required to file periodic and other required reports with the Securities and Exchange Commission, if, in fact, we are a reporting company at that time.

If we have any liabilities that we are unable to satisfy and we qualify for protection under the U.S. Bankruptcy Code, we may voluntarily file for reorganization under Chapter 11 or liquidation under Chapter 7. Our creditors may also file a Chapter 7 or Chapter 11 bankruptcy action against us. If our creditors or we file for Chapter 7 or Chapter 11 bankruptcy, our creditors will take priority over our shareholders. If we fail to file for bankruptcy under Chapter 7 or Chapter 11 and we have creditors, such creditors may institute proceedings against us seeking forfeiture of our assets, if any. We do not know and cannot determine which, if any, of these actions we will be forced to take.

Item 3. Controls and Procedures.

(a)

Evaluation of Disclosure Controls and Procedures: Disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports filed under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based upon and as of the date of that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed in the reports the Company files and submits under the Exchange Act is recorded, processed, summarized and reported as and when required.

-13-

(b)

Changes in Internal Control over Financial Reporting: There were no changes in the Company's internal control over financial reporting identified in connection with the Company evaluation of these controls as of the end of the period covered by this report that could have significantly affected those controls subsequent to the date of the evaluation referred to in the previous paragraph, including any correction action with regard to significant deficiencies and material weakness.

Limitations on the Effectiveness of controls

Our management, including our CEO and CFO, confirm that the control systems are at the "reasonable assurance" level, however, management does not expect that our Disclosure Controls or our Internal Controls will prevent all error and all fraud as a control system. No matter how well conceived and operated, they cannot provide absolute assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. However, upon discovery that the controls have become inadequate, they will be changed.

Scope of the Controls Evaluation

Our CEO/CFO evaluation of our Disclosure Controls and our Internal Controls included a review of the controls' objectives and design, the controls' implementation by us and the effect of the controls on the information generated for use in this quarterly report. In the course of the Controls Evaluation, we sought to identify data errors, controls problems or acts of fraud and to confirm that appropriate corrective action, including process improvements, were being undertaken. This type of evaluation will be done on a quarterly basis so that the conclusions concerning controls effectiveness can be reported in our Quarterly Reports on Form 10-QSB and Annual Report on Form 10-KSB. The overall goals of these various evaluation activities are to monitor our Disclosure Controls and our Internal Controls and to make modifications as necessary; our intent in this regard is that the Disclosure Controls and the Internal Controls will be maintained as dynamic systems that change (including with improvements and corrections) as conditions warrant.

Among other matters, we sought in our evaluation to determine whether there were any "significant deficiencies" or "material weaknesses" in our Internal Controls, or whether we had identified any acts of fraud involving personnel who have a significant role in our Internal Controls. This information was important both for the Controls Evaluation generally and because items 5 and 6 in the Section 302 Certifications of the CEO and CFO require that the CEO and CFO disclose that information to our Board of Directors Audit Committee and to our independent auditors and to report on related matters in this section of the quarterly report. In the professional auditing literature, "significant deficiencies" are referred to as "reportable conditions"; these are control issues that could have a significant adverse effect on the ability to record, process, summarize and report financial data in the financial statements. A "material weakness" is defined in the auditing literature as a particularly serious reportable condition where the internal control does not reduce to a relatively low level the

risk that misstatements caused by error or fraud may occur in amounts that would be material in relation to the financial statements and not be detected within a timely period by employees in the normal course of performing their assigned functions. We also sought to deal with other controls matters in the Controls Evaluation, and in each case if a problem was identified, we considered what revision, improvement and/or correction to make in accord with our on-going procedures.

In accord with SEC requirements, our CEO and CFO note that, since the date of the Controls Evaluation to the date of this Quarterly Report, there have been no significant changes in Internal Controls or in other factors that could significantly affect Internal Controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

Conclusions

Based upon the Controls Evaluation, our CEO and CFO have concluded that, our disclosure controls are effective to ensure that material information relating to us and our subsidiary is made known to management, including our CEO and CFO, particularly during the period when our periodic reports are being prepared. Our internal controls are effective to provide reasonable assurance that our financial statements are fairly presented in conformity with generally accepted accounting principles.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a)	Exhibits	Document Description
	31.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Rule 13a-15(a) and Rule 15d-15(a), promulgated under the Securities Exchange Act of 1934, as amended.
	32.1	Certification Pursuant To 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 Of The Sarbanes-Oxley Act of 2002 (Chief Executive Officer and Chief Financial Officer).

-15-

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 on this 10th day of November, 2004.

MARINE JET TECHNOLOGY CORP.

(Registrant)

BY:

/s/ Jeff Jordan
Jeff Jordan
President, Principal Executive Officer, Treasurer,
and Principal Financial Officer

