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EASYWEB INC
Form 10-Q/A
August 15, 2005

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

AMENDMENT NO. 1
TO
FORM 10-QSB/A

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

For Quarter Ended: June 30, 2005

Commission File Number 0-32353

EASYWEB, INC.

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

DELAWARE

84-1475642

(State or other jurisdiction of
incorporation or organization)

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

6025 South Quebec Street, Suite 135, Englewood, Colorado 80111

(Address of principal executive offices)

(720) 493-0303

(Registrant's telephone number, including area code)

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

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 X No
--- ---

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

Common stock, \$.001 par value per share

7,596,646

Class

Number of shares outstanding
at August 9, 2005

Transitional Small Business Disclosure Format:

Yes No X
--- ---

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FORM 10-QSB/A
2ND QUARTER

We are filing this amendment to remove certain conditions to the merger transaction with Ziopharm, Inc. that were mistakenly included in the original 10-QSB filed on August 12, 2005 and to make certain other revisions to the description of such transaction.

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EASYWEB, INC. CONDENSED BALANCE SHEET (UNAUDITED)

JUNE 30, 2005

ASSETS

| | |
|-----------------|-------------------|
| Current Assets: | |
| Cash | \$ 1,118 ===== |

LIABILITIES AND SHAREHOLDERS' DEFICIT

| | |
|--|-------------------|
| Current Liabilities: | |
| Accounts payable and accrued liabilities | \$ 9,914 ----- |
| Total current liabilities | 9,914 |

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| | |
|---|-----------|
| Shareholders' deficit (Note 4): | |
| Common stock, no par value; 280,000,000 shares authorized, 6,654,980 shares issued and outstanding | 183,613 |
| Additional paid-in capital | 118,353 |
| Retained deficit | (310,762) |
| | ----- |
| Total shareholders' deficit | (8,796) |
| | ----- |
| | \$ 1,118 |
| | ===== |

See accompanying notes to condensed financial statements.

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EASYWEB, INC.
CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

| | THREE MONTHS ENDED JUNE 30, | | SIX MONTHS ENDED JUNE 30, | |
|---|--------------------------------|-------------|------------------------------|-------------|
| | 2005 | 2004 | 2005 | 2004 |
| | ----- | ----- | ----- | ----- |
| Operating expenses: | | | | |
| Contributed rent (Note 2) | \$ 1,500 | \$ 1,500 | \$ 3,000 | \$ 3,000 |
| Contributed administrative support (Note 2) | 2,805 | 2,925 | 5,145 | 5,145 |
| Administrative support (Note 2) | 195 | 75 | 855 | 855 |
| Stock-based compensation | -- | 10,000 | -- | 10,000 |
| Professional fees | 4,122 | 1,299 | 12,730 | 3,000 |
| Web site consulting and maintenance . | 140 | -- | 170 | -- |
| Dues and subscriptions | -- | -- | 1,250 | -- |
| Other | 1,192 | 429 | 2,129 | 2,129 |
| | ----- | ----- | ----- | ----- |
| Total operating expenses | 9,954 | 16,228 | 25,279 | 22,129 |
| | ----- | ----- | ----- | ----- |
| Loss before income taxes | (9,954) | (16,228) | (25,279) | (22,129) |
| Income tax provision (Note 3) | -- | -- | -- | -- |
| | ----- | ----- | ----- | ----- |
| Net loss | \$ (9,954) | \$ (16,228) | \$ (25,279) | \$ (22,129) |
| | ===== | ===== | ===== | ===== |
| Basic and diluted loss per share | \$ (0.00) | \$ (0.00) | \$ (0.00) | \$ (0.00) |
| | ===== | ===== | ===== | ===== |
| Basic and diluted weighted average common shares outstanding | 6,255,997 | 5,479,533 | 6,198,999 | 5,132,533 |
| | ===== | ===== | ===== | ===== |

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See accompanying notes to condensed financial statements.

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EASYWEB, INC.
CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED)

| | COMMON STOCK | | ADDITIONAL PAID-IN CAPITAL | RETAI DEFIC |
|---|--------------|------------|----------------------------------|----------------|
| | SHARES | AMOUNT | | |
| Balance at January 1, 2005 | 5,746,200 | \$ 156,050 | \$ 108,408 | \$ (285, |
| January 2005, sale of common stock (\$.03/share) (Note 4) | 430,000 | 13,200 | -- | -- |
| January 2005, common stock option granted for cash (Note 4) | -- | -- | 1,800 | -- |
| June 2005, sale of common stock (\$.03/share) (Note 4) | 200,000 | 6,000 | -- | -- |
| June 2005, common stock issued to officer as repayment for working capital advances (\$.03/share) (Note 2) | 69,600 | 2,088 | -- | -- |
| June 2005, common stock issued to affiliate as repayment for working capital advances (\$.03/share) (Note 2) | 209,180 | 6,275 | -- | -- |
| Office space and administrative support contributed by an affiliate (Note 2) | -- | -- | 8,145 | -- |
| Net loss, six months ended June 30, 2005 | -- | -- | -- | (25, |
| Balance at June 30, 2005 | 6,654,980 | \$ 183,613 | \$ 118,353 | \$ (310, |

See accompanying notes to condensed financial statements.

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EASYWEB, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

| | SIX MONTHS ENDED JUNE 30, | |
|---|------------------------------|------------|
| | 2005 | 2004 |
| Net cash used in operating activities | \$ (19,903) | \$ (6,006) |
| Cash flows from financing activities: | | |
| Proceeds from granting of stock option (Note 4) | 1,800 | -- |
| Proceeds from the sale of common stock (Note 4) | 19,200 | 6,000 |

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| | | |
|--|----------|-------|
| Net cash provided by financing activities | 21,000 | 6,000 |
| | ----- | ----- |
| Net change in cash | 1,097 | (6) |
| Cash, beginning of period | 21 | 33 |
| | ----- | ----- |
| Cash, end of period | \$ 1,118 | \$ 27 |
| | ===== | ===== |
| Supplemental disclosure of cash flow information: | | |
| Cash paid during the period for: | | |
| Income taxes | \$ -- | \$ -- |
| | ===== | ===== |
| Interest | \$ -- | \$ -- |
| | ===== | ===== |
| Non-cash financing transactions: | | |
| Common stock issued to officer to repay working capital advances | \$ 2,088 | \$ -- |
| | ===== | ===== |
| Common stock issued to affiliate to repay working capital advances | \$ 6,275 | \$ -- |
| | ===== | ===== |

See accompanying notes to condensed financial statements.

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EASYWEB, INC.

NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PRESENTATION

The financial statements presented herein have been prepared by the Company in accordance with the accounting policies in its Form 10-KSB dated December 31, 2004, 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.

Financial data presented herein are unaudited.

NOTE 2: RELATED PARTY TRANSACTIONS

Rent

Summit Financial Relations, Inc. ("Summit"), an affiliate under common control, contributed office space to the Company during the six months ended June 30, 2005. The Company's management has estimated the fair market value of the office space at \$500 per month, which is included in the accompanying condensed financial statements as Contributed Rent with an offsetting credit to Additional Paid-in Capital.

Administrative support

Summit contributed administrative services to the Company during the six months

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ended June 30, 2005. The Company's management has estimated the fair market value of the services at \$1,000 per month, which is included in the accompanying condensed financial statements as Contributed Administrative Support with an offsetting credit to Additional Paid-in Capital. During the six months ended June 30, 2005, the Company paid \$855 for services, which reduced the amount of contributed services for the period from \$6,000 to \$5,145.

Indebtedness to related parties

At December 31, 2004, the Company owed Summit \$12,268 for professional fees and other administrative expenses paid on behalf of the Company. During the six months ended June 30, 2005, Summit paid an additional \$1,007 in expenses on the Company's behalf. On February 4, 2005, the Company repaid Summit \$7,000 and on June 28, 2005 the Company issued Summit 209,180 shares of common stock for full payment of all amounts owed to Summit. The shares issued to Summit were valued at \$.03 per share, or \$6,275, based on contemporaneous common stock sales to unrelated third parties. As of June 30, 2005, the balance owed to Summit was \$-0-.

In August and December 2004, an officer loaned us a total of \$1,300 for working capital. During May 2005, the officer advanced the Company an additional \$788. The loans carried no interest rate and were due on demand. On June 28, 2005, the Company issued the officer 69,600 shares of common stock for full payment of all amounts owed to the officer. The shares issued to the officer were valued at \$.03 per share, or \$2,088, based on contemporaneous common stock sales to unrelated third parties. As of June 30, 2005, the balance owed to the officer was \$-0-.

Common stock

During June 2005, the Company sold 200,000 shares of its common stock to a director for \$6,000, or \$.03 per share.

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Service agreements

On December 9, 2004, the Company entered into an employment agreement with its president/CEO. Under the terms of the agreement, the Company has agreed to pay its president/CEO a one-time fee of \$100,000 if and when the Company completes a merger, acquisition, reverse merger, financing, or any other related transaction non-detrimental to the immediate future of the Company, that leaves the Company in a position and direction better than it was prior to the transaction (see Note 7).

On December 10, 2004, the Company entered into a management consulting services agreement with a director. Under the terms of the agreement, the Company has agreed to pay the director a one-time fee of \$10,000 plus expenses, upon the closing of any transaction leaving the Company with a positive business directive and available finances, non-detrimental to the survival of the Company (see Note 7).

On December 10, 2004, the Company entered into a consulting services agreement whereby Summit will provide services including, but not limited to:

- a. Mergers and acquisition;
- b. Due diligence studies, reorganizations, divestitures;
- c. Capital structures, banking methods and systems;
- d. Periodic reporting as to the developments concerning the general financial markets and public securities markets and industry which may be relevant or of interest or concern to the Company or the Company's

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- business;
- e. Guidance and assistance in available alternatives for accounts receivable financing and/or other asset financing; and
 - f. Conclude business and transactions necessary to keep the Company current in all public filings, a-float and in business until an aforementioned business transaction is closed, to include lending funds to the Company when absolutely necessary as has been done over the prior three years at no charge, allowing the Company to survive.

Under the terms of the agreement, the Company has agreed to pay Summit a one-time fee of \$120,000 on the date of closing of any transaction leaving the Company with a positive business directive and available finances, non-detrimental to the survival of the Company (see Note 7).

NOTE 3: 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 all periods presented resulting in a deferred tax asset, which was fully allowed for; therefore, the net benefit and expense resulted in \$-0- income taxes.

NOTE 4: SHAREHOLDER'S DEFICIT

Common stock

During January 2005, the Company sold 430,000 shares of its common stock to unrelated investors for \$13,200, or \$.03 per share.

Common stock options

On January 18, 2005, the Company sold a common stock option to an unrelated third party for \$1,800. Under terms of the option agreement, the holder could

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purchase, for an additional \$1,000, 1% of the Company's outstanding common stock as of the exercise date. On July 30, 2005, the parties amended the agreement whereby the option holder is now entitled to purchase that number of shares of our common stock equal to the number of such shares the option holder would have received in the merger with ZIOPHARM, Inc. (see Note 7) had the option holder owned 1% of the ZIOPHARM's capital stock immediately prior to such merger (calculated on a fully-diluted basis). The aggregate exercise price for such option is \$1,000.

Corporate governance

On February 28, 2005, the Company's shareholders approved the following proposals:

- a. Reincorporate the Company in the State of Delaware;
- b. Authorize the Board of Directors to implement a reverse stock split at a ratio no greater than 40:1; and
- c. Increase the Company's authorized capital by 250,000,000 shares (from 30,000,000 to 280,000,000).

The Company's re-incorporation in the State of Delaware was completed on May 16, 2005. As of the date of this report, no reverse stock split had yet been implemented.

NOTE 5: COMMITMENT

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On October 1, 2004, the Company entered into a management consulting services agreement whereby the consultant will provide services including, but not limited to:

- a. Mergers and acquisition;
- b. Due diligence studies, reorganizations, divestitures;
- c. Capital structures, banking methods and systems;
- d. Periodic reporting as to the developments concerning the general financial markets and public securities markets and industry which may be relevant or of interest or concern to the Company or the Company's business;
- e. Guidance and assistance in available alternatives for accounts receivable financing and/or other asset financing; and
- f. Structural recommendations to assist the Company's capability to finance.

Under the terms of the agreement, the Company has agreed to pay the consultant a one-time fee of \$120,000 on the date of closing of any of the above business transactions or any transaction giving the Company a valid financial direction (see Note 7).

NOTE 6: TERMINATION OF PROPOSED MERGER

On May 6, 2005, the Company signed a term sheet with Zephyr Sciences, Inc. ("Zephyr"), which outlined the conditions of a proposed merger between the two parties.

Under the structure of the term sheet, the Company would form a wholly-owned Delaware subsidiary, which would merge into Zephyr and Zephyr would be the surviving entity. Zephyr's shareholders would then exchange their shares of common stock for common stock in the Company, which would result in Zephyr becoming the Company's wholly-owned subsidiary. The transaction would result in a change in control, whereby the Company's directors would resign and the directors of Zephyr would become the directors of the Company.

The parties terminated the proposed transaction in June 2005.

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NOTE 7: SUBSEQUENT EVENTS

COMMON STOCK

During July 2005, the Company sold 333,333 shares of its common stock to an unrelated investor for \$10,000, or \$.03 per share.

During July 2005, the Company sold 333,333 shares of its common stock to a director for \$10,000, or \$.03 per share.

On August 3, 2005, the Company sold 275,000 shares of its common stock to an unrelated third party for \$24,000, or \$.087 per share.

AGREEMENT AND PLAN OF MERGER

On August 3, 2005, the Company signed an Agreement and Plan of Merger with ZIOPHARM, Inc. ("ZIOPHARM"), which outlines the conditions of a proposed merger between the two parties.

In connection with the Agreement and Plan of Merger, the Company has formed a wholly-owned Delaware subsidiary, Zio Acquisition Corp., which will merge into ZIOPHARM with ZIOPHARM remaining as the surviving entity and as a wholly-owned

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subsidiary of the Company following the merger. Holders of ZIOPHARM's capital stock or securities convertible into such capital stock will be exchanged for shares of the Company's common stock or securities convertible into such shares. The transaction will result in a change in control, whereby the Company's directors will resign and the directors of ZIOPHARM will become the directors of the Company. On the closing date of the merger transaction, the consolidated EasyWeb entity will pay all unconsolidated liabilities of the Company then due, a portion of which will be payable to David C. Olson and an entity affiliated with Mr. Olson. However, Mr. Olson and this affiliated entity have agreed to reduce the amount of the payments to which they are otherwise entitled to the extent that the unconsolidated liabilities of the Company immediately following the Merger exceed \$425,000.

In addition to a range of standard closing conditions set forth in the Agreement and Plan of Merger, the closing of the transaction is subject to the following closing conditions:

1. The merger transaction shall have been approved by the requisite vote of ZIOPHARM's stockholders, with ZIOPHARM stockholders holding no more than 4% of the issued and outstanding shares of Ziopharm capital stock having exercised their right to dissent from the transaction and obtain the fair value of their shares;
2. As of the closing date, the Company's common stock shall have traded and shall continue to be eligible for trading on the OTCBB;
3. ZIOPHARM shall have received an opinion from its counsel stating that the transaction qualifies as a tax-free reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended;
4. ZIOPHARM shall have received an opinion from the Company's counsel stating that the issuance of the Company's common stock in the merger is exempt from the registration requirements of the Securities Act of 1933, as amended; and
5. The Company shall have completed a 1-for-40 reverse stock split.

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Should the Company close the above transaction, the Company will incur the following approximate charges subject to update at closing:

| | |
|--|-----------|
| a. Employment agreement fee with president/CEO (Note 2) | \$100,000 |
| b. Management consulting services agreement with director (Note 2) | 10,000 |
| c. Consulting agreement with affiliate (Note 2) | 120,000 |
| d. Management consulting services agreement with consultant (Note 5) | 120,000 |
| e. Transaction introduction fees | 100,000 |
| f. Other consulting fees | 10,000 |
| f. Ongoing business expenses | 17,000 |
| | ----- |
| TOTAL | \$477,000 |

On July 14, 2005, the Board of Directors approved a \$50,000 fee for the Company's president in the event the above transaction does not close. The fee is to be paid for services provided in connection with the due diligence and negotiations related to the proposed merger as well as previous uncompleted transactions. If the proposed merger does close, the \$50,000 fee will be inclusive within and covered by payment of the \$100,000 employment agreement fee (see Note 2).

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PART I. ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

PLAN OF OPERATION

Until May 6, 2005, EasyWeb's business plan was to design, market, sell and maintain customized and template, turnkey sites on the Internet, hosted by third parties. Our business plan was prepared based upon the popularity of the Internet and the growing number of businesses interested in advertising and marketing online. We have incurred a retained deficit of \$310,762 through June 30, 2005. We have not performed any services or earned any revenue since 2002.

On May 6, 2005, the Company signed a term sheet with Zephyr Sciences, Inc. ("Zephyr"), which outlined the conditions of a proposed merger between the two parties. The transaction would have resulted in a change in control, whereby the Company's directors would resign and the directors of Zephyr would become the directors of the Company. The parties agreed to terminate the proposed transaction in June 2005.

On August 3, 2005, the Company signed an Agreement and Plan of Merger with ZIOPHARM, Inc. ("ZIOPHARM"), which outlines the conditions of a proposed merger between the two parties. In connection with the Agreement and Plan of Merger, the Company has formed a wholly-owned Delaware subsidiary, which will merge into ZIOPHARM with ZIOPHARM remaining as the surviving entity and as a wholly-owned subsidiary of the Company following the merger. Holders of ZIOPHARM's capital stock or securities convertible into such capital stock will be exchanged for shares of the Company's common stock or securities convertible into such shares. The transaction will result in a change in control, whereby the Company's directors will resign and the directors of Ziopharm will become the directors of the Company. On the closing date of the merger transaction, the consolidated EasyWeb entity will pay all unconsolidated liabilities of the Company then due, a portion of which will be payable to David C. Olson and an entity affiliated with Mr. Olson. However, Mr. Olson and this affiliated entity have agreed to reduce the amount of the payments to which they are otherwise entitled to the extent that the unconsolidated liabilities of the Company immediately following the Merger exceed \$425,000.

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In addition to a range of standard closing conditions set forth in the Agreement and Plan of Merger, the closing of the transaction is subject to the following closing conditions:

1. The merger transaction shall have been approved by the requisite vote of ZIOPHARM's stockholders, with ZIOPHARM stockholders holding no more than 4% of the issued and outstanding shares of Ziopharm capital stock having exercised their right to dissent from the transaction and obtain the fair value of their shares;
2. As of the closing date, the Company's common stock shall have traded and shall continue to be eligible for trading on the OTCBB;
3. ZIOPHARM shall have received an opinion from its counsel stating that the transaction qualifies as a tax-free reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended;
4. ZIOPHARM shall have received an opinion from the Company's counsel stating that the issuance of the Company's common stock in the merger is exempt from the registration requirements of the Securities Act of 1933, as amended; and
5. The Company shall have completed a 1-for-40 reverse stock split.

Our future success is currently dependent upon our ability to close the transactions contemplated by the Agreement and Plan of Merger with ZIOPHARM. The

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parties have imposed a deadline to complete these actions by September 16, 2005, subject to extension by mutual agreement of the parties.

There is no assurance that we will be successful in closing the merger or, if the merger is closed, that we will attain profitability.

We are experiencing capital shortages and are currently dependent upon an affiliate, Summit Financial Relations, Inc. ("Summit"), which has paid expenses on our behalf, in order to maintain our limited operations. There is no assurance that Summit will continue to pay our expenses in the future. On February 4, 2005, we repaid Summit \$7,000 and on June 28, 2005 we issued Summit 209,180 shares of common stock for full payment of all amounts owed to Summit. As of June 30, 2005, our balance owed to Summit was \$-0-. In addition, David Olson, our CEO, advanced us \$1,300 for working capital during the year ended December 31, 2004 and an additional \$788 in May 2005. On June 28, 2005 we issued Mr. Olson 69,600 shares of common stock for full payment of all amounts owed to him. The shares issued to Summit and Mr. Olson were valued at \$.03 per share, or \$8,363, based on contemporaneous common stock sales to unrelated third parties.

As a result of our inability to generate significant revenue, together with sizeable continuing operating expenses, access to capital may be unavailable in the future except from affiliated persons. If we are able to obtain access to outside capital in the future, it is expected to be costly because of high rates of interest and fees. Through June 30, 2005, in addition to the expenses paid by Summit and advances from Mr. Olson, we have been funded through the sale of our common stock for gross proceeds in the amount of \$175,250 including proceeds of \$39,200 through the sale of 1,296,666 shares of our common stock (\$.03 per share) between January and July 2005. In addition, during January 2005, we sold for \$1,800, an option to purchase 1% of our outstanding common shares pursuant to an option agreement. Under terms of the option agreement, the holder could purchase, for an additional \$1,000, 1% of the Company's outstanding common stock as of the exercise date. On July 30, 2005, the parties amended the agreement whereby the option holder is now entitled to purchase that number of shares of our common stock equal to the number of such shares the option holder would have received in the merger with ZIOPHARM, Inc. (see Note 7) had the option holder owned 1% of the ZIOPHARM's capital stock immediately prior to such merger (calculated on a fully-diluted basis). The aggregate exercise price for such option is \$1,000.

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While our independent auditor has presented our financial statements on the basis that we are a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business over a reasonable length of time, they have noted that our significant operating losses and net capital deficit raise a substantial doubt about our ability to continue as a going concern.

We do not intend to hire any additional employees in the foreseeable future. We do not intend to make significant equipment purchases or conduct any research and development within the next twelve months.

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.

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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 I. ITEM 3. CONTROLS AND PROCEDURES

We maintain a system of controls and procedures designed to provide reasonable assurance as to the reliability of the financial statements and other disclosures included in this report. As of June 30, 2005, under the supervision and with the participation of our Principal Executive Officer and Principal Financial Officer, management has evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, the Principal Executive Officer and the Principal Financial Officer concluded that our disclosure controls and procedures were effective in timely alerting them to required information to be included in our periodic filings with the Securities and Exchange Commission. No significant changes were made to internal controls or other factors that could significantly affect those controls subsequent to the date of their evaluation.

CHANGES IN INTERNAL CONTROLS

There have been no changes in internal controls or in other factors that could significantly affect those controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II. OTHER INFORMATION

Item 1 - Legal Proceedings.

No response required.

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Item 2 - Unregistered Sales of Equity Securities and Use of Proceeds.

During January 2005, the Company sold 430,000 shares of its common stock to unrelated investors for \$13,200, or \$.03 per share.

During June 2005, the Company sold 200,000 shares of its common stock to a director for \$6,000, or \$.03 per share.

During July 2005, the Company sold 333,333 shares of its common stock to an unrelated investor for \$10,000, or \$.03 per share.

During July 2005, the Company sold 333,333 shares of its common stock to a director for \$10,000, or \$.03 per share.

During August 2005, the Company sold 275,000 shares of its common stock to a director for \$24,000, or \$.087 per share.

Item 3 - Defaults Upon Senior Securities.

No response required.

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

On February 28, 2005, the Company's shareholders approved the following proposals:

- a. Reincorporate the Company in the State of Delaware;
- b. Authorize the Board of Directors to implement a reverse stock split at a ratio no greater than 40:1; and
- c. Increase the Company's authorized capital by 250,000,000 shares (from 30,000,000 to 280,000,000).

The Company's re-incorporation in the State of Delaware was completed on May 16, 2005. As of the date of this report, no reverse stock split had yet been implemented.

Item 5 - Other Information.

No response required.

Item 6 - Exhibits.

- 31. Certification of Principal Executive Officer and Principal Financial Officer pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32. Certification of Principal Executive Officer and Principal Financial Officer 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

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, 2005 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 12, 2005

BY: /S/ DAVID C. OLSON

David C. Olson
President and CEO

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