

SECURITIES AND EXCHANGE COMMISSION

FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

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FILER

WINMAX TRADING GROUP INC

CIK: **1035517** | IRS No.: **650702554** | State of Incorporation: **FL** | Fiscal Year End: **1231**
Type: **10QSB** | Act: **34** | File No.: **000-29751** | Film No.: **1697561**
SIC: **9995** Non-operating establishments

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227
FT LAUDERDALE FL 33316

Business Address

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9545234500

FORM 10-QSB

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

(Mark One)

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

For the quarterly period ended June 30, 2001

OR

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

For the transition period from _____ to _____

Commission File Number 0-29751

Winmax Trading Group, Inc.

(Exact name of registrant as specified in its charter)

Florida (State or other jurisdiction of incorporation or organization) 65-0702554 (I.R.S. Employer Identification No.)

Suite 150 - 530 S. Federal Highway, Deerfield Beach, Florida 33441
(Address of principal executive office) (Zip Code)

888 - 533 - 4555
(Registrant's telephone number, including area code)

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 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 No

The number of shares outstanding of each of Issuer's classes of common equity as of June 30, 2001.

<u>Common Stock, par value \$.001</u>	<u>3,296,000</u>
Title of Class	Number of Shares

Transitional Small Business Disclosure Format yes _____ no

Winmax Trading Group, Inc.

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**Winmax Trading Group, Inc.
Balance Sheet
June 30, 2001
(Unaudited)**

Assets

Current assets	
Prepaid expenses	\$ 278,283
Intangible asset	700,000
	\$ 978,283
	=====

Liabilities and Stockholders' Equity

Current liabilities	
Accounts payable	\$ 21,900
Due to shareholder	2,470
	24,370

Stockholders' Equity	
Preferred stock, \$1.00 par value, 1,000,000 shares authorized, no shares issued or outstanding	--
Common stock, \$.001 par value, 50,000,000 shares authorized, 3,296,000 shares issued and outstanding	3,296
Additional paid-in capital	2,461,479
Accumulated deficit	(1,510,863)
	953,912

	\$ 978,282

See the accompanying notes to the Financial statements.

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Winmax Trading Group, Inc.
Statements of Operations
Three Months and Six Months Ended June 30, 2001 and 2000
(Unaudited)

	Three Months		Six Months	
	2001	2000	2001	2000
Revenue:				
Fees, commissions and interest	\$ --	\$ 25,213	\$ --	\$ 25,213
Operating Costs and Expenses:				
General and administrative	685,207	85,311	718,041	262,023
Net (loss)	\$ (685,207)	\$ (60,098)	\$ (718,041)	\$ (236,810)
	=====	=====	=====	=====
Per Share Information - basic and fully diluted:				
Weighted average common shares outstanding	724,335	370,433	1,072,667	368,000
	=====	=====	=====	=====
(Loss) per share	\$ (0.95)	\$ (0.16)	\$ (0.67)	\$ (0.64)
	=====	=====	=====	=====

See the accompanying notes to the financial statements.

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Winmax Trading Group, Inc.
Statements of Cash Flows
Six Months Ended June 30, 2001 and 2000
(Unaudited)

	2001	2000
Cash flows from operating activities:		
Net cash (used in) operating activities	\$ (41,009)	\$ (242,452)
Cash flows from investing activities:		
Net cash provided by (used in)		

investing activities	--	82,392
Cash flows from financing activities:		
Net cash provided by financing activities	39,268	250,060
Increase (decrease) in cash and cash equivalents	(1,741)	90,000
Cash and cash equivalents, beginning of period	1,741	--
Cash and cash equivalents, end of period	\$ --	\$ 90,000
	=====	=====
Supplemental cash flow information:		
Cash paid for interest	\$ --	\$ --
Cash paid for income taxes	\$ --	\$ --

See the accompanying notes to the financial statements.

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WINMAX TRADING GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2001
(UNAUDITED)

(1) Basis of Presentation

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial information and item 310(b) of Regulation SB. They do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year. For further information, refer to the financial statements of the Company as of December 31, 2000 and for the two years then ended, including notes thereto included in the Company's Form 10-KSB.

(2) Organization

The Company was incorporated under the laws of the State of Florida on September 26, 1996. The Company had been in the business of operating and managing an investment fund, the Winmax Alpha Fund Limited Partnership (Alpha), for which it was the general partner. The incentive fees, commissions and interest derived from the operation and management of this fund accounted for substantially all of the Company's operating revenue during the prior year.

Alpha was a Delaware limited partnership formed to trade, invest in, buy, sell or otherwise acquire, hold or dispose of futures contracts, options on futures contracts, and all rights and interests pertaining thereto.

During October 2000 the Company terminated Alpha in accordance with the terms of the Limited Partnership Agreement and returned the limited partners' investments. Effective with the termination of Alpha the Company had no significant business operations.

(3) Earnings Per Share

The Company calculates net income (loss) per share as required by SFAS No. 128, "Earnings per Share." Basic earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding for the period. Diluted earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares and dilutive common stock equivalents outstanding. During the periods presented common stock equivalents, if any, were not considered as their effect would be anti dilutive.

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WINMAX TRADING GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2001
(UNAUDITED)

(4) Stockholders' Equity

On March 19, 2001 the Company effected a reverse stock split in a ratio of 1:25. All share and per share amounts have been adjusted to give effect to this split except that the post split common share still retains a par value of \$0.001.

During the quarter ended June 30, 2001 an officer of the Company contributed \$3,000 in unpaid salary to the capital of the Company.

During the period ended June 30, 2001 the Company issued 920,000 shares of its common stock pursuant to Form S-8 registration statements and a further 2,000,000 shares were issued and held pursuant to rule 144 as per the 8-K filed with the SEC. The 2,920,00 shares in aggregate were valued at \$1,669,500. The shares were issued for legal services rendered, for future legal services and to settle a shareholder's compensation and loan. The shares were valued at the fair market value of the common stock on the dates it was agreed that the shares were to be issued. Amounts expensed aggregated \$659,950; amounts included as prepaid expenses aggregated \$278,750; amounts for settlement of the shareholder's loan aggregated \$30,800; and amount capitalized as intangible assets aggregated \$700,000.

(5) Other--Various lawsuits and claims

A motion for default judgement has been filed against the company and its past President (Ralph Pistor). Although the outcome of these matters cannot be predicted with certainty, management believes that their disposition will not have materially adverse effects on the Company's consolidated results of operations or financial position.

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Item 2. Management's Discussion and Analysis or Plan of Operations.

The following discussion and analysis covers material changes in financial condition since December 31, 2000 and material changes in the results of operations for the six months ended June 30, 2001. This discussion and analysis should be read in conjunction with "Management's Discussion and Analysis or Plan

of Operation" included in the Company's Form 10-KSB for the year ended December 31, 2000.

Results of Operations

As reported in the December 31, 2000 notes to the Consolidated Financial Statements: effective with the termination of ALPHA, the company had no significant business operations or any revenue.

Cash outlays for general and administrative expenses decreased during the 2nd quarter, this was attributable to a reduction in travel expenses. However, total general and administrative expenses increased by way of shares issued to; compensate an officer \$569,200; a further \$90,750 was expensed for agreements as filed in the S-8's with the SEC to secure legal services.

To enhance and integrate its corporate systems and profile the company entered into agreements to implement a world wide web (internet) website and creation of an interactive CD rom to introduce the the company's product for \$700,000, the cost of which has been offset by the issue of common shares. These shares were issued pursuant to the S-8's filed with the SEC.

Direction and Focus of Operations and Management Changes

On June 12, 2001 Mr. Gerald Sklar was appointed to the Company's Board of Director's. Mr. Ralph Pistor resigned his position as President, Chief Executive Officer and Director. Mr. Gerald Sklar agreed to act as interim President, Chief Executive Officer, and Director until the next Annual General Meeting.

The new directors of the Company are presently investigating the feasibility of changing the company's direction through acquisitions of various enterprises.

Directors Resolution to Issue Further Shares.

The directors have resolved to issue 330,000 shares of common stock to acquire professional services in connection with its current legal requirements needed to investigate the company's current proposed acquisitions. The directors have further resolved to register 3,000,000 shares of common stock pursuant to a stock option plan. These resolutions will be noted on S-8's registration statements to be filed with the SEC.

Liquidity and Capital Resources

The Company has no material commitments for capital expenditures at June 30, 2001.

As advised in the 10QSB filed with the SEC for the quarter ended March 31, 2001, the Company has financed its operations principally through equity investments and revenues derived from its management of Alpha. Effective with the termination of Alpha the Company had no significant business operations. The Company will need additional capital to continue its operations for the next twelve months and may raise funds through the sale of equity shares or debt financing or loans from Directors and Officers. There can be no assurance that additional private or public financing, including debt or equity financing, will be available as needed, or on terms favorable to the Company. Any additional equity financing may be dilutive to shareholders and these additional equity securities may have rights, preferences or privileges that are senior to those of the Company's Common Stock. Furthermore, debt financing, if available, will require payment of interest and may involve restrictive covenants that could impose limitations on the operating flexibility of the Company. The failure of the Company to obtain additional funding may jeopardize the Company's ability to continue its business and operations.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"), the Company is hereby providing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in forward-looking statements (as such term is defined in the Reform Act) made by or on behalf of the Company herein or orally, whether in presentations, in response to questions or otherwise. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will result", "are expected to", "will continue", "is anticipated", "estimated", "projection" and "outlook") are not historical facts and may be forward-looking and, accordingly, such statements involve estimates, assumptions, and uncertainties which could cause actual results to differ materially from those expressed in the forward-looking statements. Such uncertainties include, among other, the following: (i) the Company's ability to obtain additional financing to implement its business strategy; (ii) imposition of new regulatory requirements affecting the Company; (vii) a downturn in general economic conditions; (iii) the delay or failure to properly manage growth and successfully integrate acquired companies and operations; (iv) lack of diversification; (v) effect of uninsured loss and (vi) other factors which are described in further detail in the Company's filings with the Securities and Exchange Commission.

The Company cautions that actual results or outcomes could differ materially from those expressed in any forward-looking statements made by or on behalf of the Company. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors. Further, management cannot assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

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Part II: Other Information

Item 1: Legal Proceedings

A motion for default judgement has been filed against the company and its past President (Ralph Pistor).seeking damages for \$222,324. No judgement has been entered. Although the outcome of these matters cannot be predicted with certainty, management believes that their disposition will not have materially adverse effects on the Company's consolidated results of operations or financial position

Item 2: Changes in Securities

On March 19, 2001 the Company effected a reverse stock split in a ratio of 1:25. The rights accruing to the holders of the securities have not changed Except that the post split common share still retains a par value of \$0.001. All share and per share amounts have been adjusted to give effect to this split.

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

None

Item 5: Other information

None

Item 6: Exhibits and Reports on Form 8-K

- A. Exhibits
None
- B. Reports on Form 8-K
By reference - of 8-K dated March 7, 2001 Filed with
the SEC on May 7, 2001, as of May 4, 2001
Re: (a) Reverse Split
(b) Issuance of post split shares to its
then president Ralph Pistor.

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SIGNATURES

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

WINMAX TRADING GROUP, INC.

Date: July 31, 2001

By: /s/ Gerald Sklar
President
(Principal Financial Officer)

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