FORM 10QSB

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

Filing Date: **2004-08-12** | Period of Report: **2004-06-30**
SEC Accession No. 0001019687-04-001745

(HTML Version on secdatabase.com)

FILER

CPC OF AMERICA INC

CIK:**1042728**| IRS No.: **113320709** | State of Incorp.:**NV** | Fiscal Year End: **1231**
Type: **10QSB** | Act: **34** | File No.: **000-24053** | Film No.: **04969323**
SIC: **3841** Surgical & medical instruments & apparatus

Mailing Address
6336 17TH STREET CIRCLE EAST
SARASOTA FL 34243

Business Address
6336 17TH STREET CIRCLE EAST
SARASOTA FL 34243
941-727-4370

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended June 30, 2004

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______________ to ______________

Commission File Number 0-24053

CPC of America, Inc.

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

Nevada	11-3320709
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

6336 17th Street Circle East, Sarasota, Florida

(Address of principal executive offices)

941-727-4370

(Issuer's telephone number)

Not Applicable

(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 of 1934 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 [ ]

As of August 11, 2004, the Company had 6,730,067 shares of its $.0005 par value common stock issued and outstanding.

Transitional Small Business Disclosure Format (Check one):
Yes [ ] No [X]

<TABLE>

PART 1 - FINANCIAL INFORMATION

<CAPTION>

</TABLE>

CPC OF AMERICA, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED BALANCE SHEET
(UNAUDITED)

	JUNE 30, 2004
ASSETS	
CURRENT ASSETS:	
Cash and equivalents	$ 2,759,973
Short term investments	1,871,289
Prepaid and other	32,880
TOTAL CURRENT ASSETS	4,664,142
EQUIPMENT, NET OF ACCUMULATED DEPRECIATION $18,108	909
PATENTS, NET OF ACCUMULATED AMORTIZATION $93,445	210,055
TRADEMARKS, NET OF ACCUMULATED AMORTIZATION OF $3,114	3,117
TOTAL ASSETS	$ 4,878,223
LIABILITIES & SHAREHOLDERS' EQUITY	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	$ 71,076
Dividends Payable	757,160
Note Payable	200,000
TOTAL CURRENT LIABILITIES	1,028,236
SHAREHOLDERS' EQUITY:	
Preferred stock, 5,000,000 shares authorized, $.001 par value, Series C 305,991 shares issued and outstanding	305
Series D 819,351 shares issued and outstanding	820
Common stock, 20,000,000 shares authorized, $.0005 par value 6,730,067 shares issued and outstanding	3,364
Additional Paid in capital - Common	9,048,659
Additional Paid in capital - Preferred	14,350,781
Deficit accumulated during the development stage	(19,553,942)
NET SHAREHOLDERS' EQUITY	3,849,987
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	$ 4,878,223

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED FINANCIAL STATEMENTS.

CPC OF AMERICA, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	THREE MONTHS ENDED JUNE 30,	
	2004	2003
COSTS AND EXPENSES		
Research and development	$ 688,764	$ 748,880
General and administrative	103,357	96,479
TOTAL COSTS AND EXPENSES	792,121	845,359
OPERATING LOSS	(792,121)	(845,359)
OTHER INCOME (EXPENSE)		
Interest	19,258	11,095
	19,258	11,095
LOSS BEFORE MINORITY INTEREST	(772,863)	(834,264)
MINORITY INTEREST	--	--
NET LOSS	$ (772,863)	$ (834,264)

BASIC AND DILUTED NET LOSS PER SHARE	$ (0.13)	$ (0.47)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING BASIC AND DILUTED	6,706,664	5,700,529

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED FINANCIAL STATEMENTS.

<TABLE>

CPC OF AMERICA, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)

<CAPTION>

<S>	SIX MONTHS ENDED JUNE 30, 2004 <C>	2003 <C>	CUMULATIVE FROM INCEPTION (APRIL 11, 1996) TO JUNE 30, 2004 <C>
COSTS AND EXPENSES			
Research and development	$ 1,679,585	$ 1,046,205	$ 10,454,452
General and administrative	293,358	180,050	4,060,778
TOTAL COSTS AND EXPENSES	1,972,943	1,226,255	14,515,230
OPERATING LOSS	(1,972,943)	(1,226,255)	(14,515,230)
OTHER INCOME (EXPENSE)			
Interest expense	--	--	(8,954)
Interest income	41,842	14,445	167,192
	41,842	14,445	158,238
LOSS BEFORE MINORITY INTEREST	(1,931,101)	(1,211,810)	(14,356,992)
MINORITY INTEREST	--	--	1,120
NET LOSS	$ (1,931,101)	$ (1,211,810)	$(14,355,872)
BASIC AND DILUTED NET LOSS PER SHARE	$ (0.33)	$ (0.62)	
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING BASIC AND DILUTED	6,626,135	5,663,556	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED FINANCIAL STATEMENTS.

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CPC OF AMERICA, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<CAPTION>

<S>	JUNE 30, 2004 <C>	2003 <C>	CUMULATIVE FROM INCEPTION (APRIL 11, 1996) TO JUNE 30, 2004 <C>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (1,931,101)	$ (1,211,810)	$(14,355,872)
Adjustments to reconcile net income to net cash used by operating activities:			
Depreciation and amortization	10,822	13,304	128,303
Amortization of stock option cost	--	--	280,000
Contribution of officer's salary	--	--	80,000
Issuance of common stock/options for services	164,372	--	478,072
Other - net	--	--	38,879
Decrease (increase) in other assets	144,889	76,023	20,844
Increase (decrease) in payables and accrued expenses	52,835	(37,968)	459,995
Net cash used by operating activities	(1,558,183)	(1,160,451)	(12,869,779)

CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of and re-investment in short-term investments	--	--	(2,450,469)
Proceeds from sale of short-term investments	579,180	--	579,180
Purchase of patent	--	--	(14,795)
Capital expenditures	--	(1,500)	(148,016)
Net cash used by investing activities	579,180	(1,500)	(2,034,100)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from notes to shareholders	--	--	73,150
Payments on note payable to shareholder	--	--	(3,000)
Exercise of options and warrants	219,702	174,386	3,890,586
Issuance of preferred stock	--	6,485,082	12,993,292
Issuance of common stock	--	--	915,200
Cancellation of commom stock	--	--	(200,325)
Dividends	--	--	(5,051)
Net cash provided by financing activities	219,702	6,659,468	17,663,852
Net (decrease)increase in cash	(759,301)	5,497,517	2,759,973
CASH, BEGINNING OF PERIOD	3,519,274	961,507	--
CASH, END OF PERIOD	$ 2,759,973	$ 6,459,024	$ 2,759,973

(CONTINUED)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED FINANCIAL STATEMENTS.

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CPC OF AMERICA, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(UNAUDITED)

<CAPTION>

<S>	JUNE 30, 2004 <C>	JUNE 30, 2003 <C>	CUMULATIVE FROM INCEPTION (APRIL 11, 1996) TO JUNE 30, 2004 <C>
NON-CASH INVESTING AND FINANCIANG ACTIVITIES:			
Issuance of common stock for note receivable	--	--	150
Debt to equity conversion	--	--	77,000
Acquisition of minority interest	--	--	33,250
Sale of Tercero - elimination of goodwill	--	--	(40,000)
Preferred dividends accrued	256,512	114,740	629,406
Prefferred dividends paid through issuance of common stock	8,544	--	61,892
Acquisition of Med Enclosures for note payable	--	--	250,000
Settlement of lawsuit through common stock	--	--	288,708
Acquisition of patent through issuance of common stock	--	--	200,000
Valuation of beneficial conversion features	--	2,161,694	4,330,695

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED FINANCIAL STATEMENTS.

</TABLE>

CPC OF AMERICA, INC. AND SUBSIDIARIES
A DEVELOPMENT STAGE COMPANY
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2004

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

CPC of America, Inc., a Nevada corporation ("CPC" or the "Company"), was formed on April 11, 1996 to manufacture and distribute external counterpulsation medical devices and own controlling interests in various management service organizations ("MSO"s) and medical services companies. The Company is classified as a development stage company because its principal activities involve obtaining capital and rights to certain technology, and conducting research and development activities.

The accompanying condensed consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries: DSDS Group, Inc. from July 1997 through November 1998, CPCA 2000, Inc. from June 1998 and HeartMed, LLC and Med Enclosure, LLC from November 1999 and Med Close Corp. from October 2002. All significant intercompany transactions and balances have been eliminated in consolidation.

Interim periods

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-QSB and do not include all of the information required by generally accepted accounting principles for complete financial statements. In the opinion of the Company's management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three and six months ended June 30, 2004 are not necessarily indicative of results for any future period. These statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Form 10-KSB for the year ended December 31, 2003.

2. STOCK-BASED COMPENSATION

Stock options issued under stock-based compensation plans are accounted for under the recognition and measurement principles of APB Opinion No. 25, ACCOUNTING FOR STOCK ISSUED TO EMPLOYEES, and related Interpretations. No stock-based employee compensation cost is reflected in the net loss, as all options granted under these plans had an exercise price equal to the market value of the underlying common stock on the date of grant. In accordance with Financial Accounting Standards Board ("FASB") No 148, ACCOUNTING FOR STOCK-BASED COMPENSATION-TRANSITION AND DISCLOSURE, AN AMENDMENT OF FASB NO. 123, the following table illustrates the effect on net loss and loss per share if we had applied the fair value recognition provisions of FASB No. 123, ACCOUNTING FOR STOCK-BASED COMPENSATION, to stock-based employee compensation.

2. STOCK-BASED COMPENSATION (CONTINUED)

Pro forma adjustments to our consolidated net loss and loss per share for the three and six months ended June 30, 2004 and 2003 are as follows:

<TABLE>
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	For the three months ended June 30, 2004	For the three months ended June 30, 2003	For the six months ended June 30, 2004	For the six months ended June 30, 2003
<S>	<C>	<C>	<C>	<C>
Net loss, as reported	$ (772,863)	$ (834,264)	$(1,931,101)	$(1,211,810)
Additional costs for estimated fair value of options	(44,814)	(66,872)	(89,628)	(133,744)
Pro forma net loss	$ (817,677)	$ (901,136)	$(2,020,729)	$(1,345,554)
Net loss per share				
As reported	$ (0.13)	$ (0.47)	$ (0.33)	$ (0.62)
Pro forma	$ (0.14)	$ (0.48)	$ (0.35)	$ (0.64)

</TABLE>

3. SHAREHOLDERS' EQUITY

During the six months ended June 30, 2004, the Company issued 23,402 shares of common stock valued at $83,544 after converting 8,427 shares of Series C preferred stock. Also during the period, the Company issued 230,485 shares of common stock valued at $384,074 ($1.125 to $2.50 per share) upon the exercise of options.

During the six months ended June 30, 2003, the Company issued 708,709 shares of Series D preferred stock for net proceeds of $6,485,082. Also during the period, the Company issued 139,456 shares of common stock valued at $174,386 ($1.125 per share) upon the exercise of options.

4. NET LOSS PER COMMON SHARE

Net loss per common share is calculated in accordance with Statement of Financial Accounting Standards No. 128 ("SFAS 128"). Basic net loss per share is based upon the weighted average number of common shares outstanding. Diluted loss per share is based upon the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options are assumed to be exercised at the beginning of the period (or time of issuance, if later) and as if funds obtained thereby were used to purchase common stock at the average market price during the period. For June 30, 2004 and 2003 all common stock equivalents were anti-dilutive; thus, basic loss per share equals diluted loss per share.

The following table shows the calculation of the numerator and denominator, as well as the number of common stock equivalents that would have been included in the denominator if they were not anti-dilutive.

<TABLE>
<CAPTION>

CPC OF AMERICA, INC. AND SUBSIDIARIES
A DEVELOPMENT STAGE COMPANY

4. NET LOSS PER COMMON SHARE (CONTINUED)

	For the three months ended June 30,		For the six months ended June 30,	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Numerator				
Net loss	$ (772,863)	$ (834,264)	$ 1,158,282	$(1,211,810)
Preferred dividends	(127,754)	(66,547)	256,512	(114,740)
Beneficial conversion feature of preferred stock	--	(1,765,027)	--	(2,161,694)
	$ (909,617)	$(2,665,838)	$ 1,414,794	$(3,488,244)
Denominator				
Weighted average common shares outstanding	6,706,664	5,700,529	6,626,135	5,663,556
Incremental common shares (not included in denominator of diluted earnings per share calculation due to their anti-dilutive nature) attributable to exercise/conversion of:				
Outstanding options	4,710,797	5,585,735	4,710,797	5,585,735
Preferred stock	1,855,682	1,546,230	1,855,682	1,546,230
	6,566,479	7,131,965	6,566,479	7,131,965

</TABLE>

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

General

To date, our activities have included the market analysis and development of our counterpulsation units, the acquisition of our controlling interest in Med Enclosures, LLC and the raising of development and working capital. We have developed and prepared for market our counterpulsation units, including a stand-alone unit known as the CPCA 2000. In March 2003, we received FDA clearance to market the CPCA 2000 counterpulsation unit as a Class III medical device.

We have also acquired an 80.3% interest in Med Enclosures, LLC, a development stage company engaged in the business of developing a patented internal puncture closure device and technique known as "MedClose." As of the date of this report, we have completed the development of the MedClose product prototype and successfully concluded the initial round of animal testing. We expect that the completion of design and testing of the MedClose, including the submission of the final product for FDA premarket clearance, will take up to 18 months from the date of this report.

We have not commenced revenue producing operations. As of the date of this report, we are analyzing the potential for the sale of CPCA 2000, Inc., our subsidiary that owns and operates our counterpulsation technologies and products. We expect to commence revenue producing operations subject to FDA approval of MedClose or our decision to move forward with the manufacture and sale of the CPCA 2000. We do not expect to purchase or sell plant or significant equipment during 2004, nor do we expect a significant change in the number of our employees during the remainder of the current fiscal year.

We have financed our activities to date through the sale of our securities. During 2003, we conducted the private placement sale of 708,709 shares of our Series D Preferred Stock, at a price of $9.15 per share, for the total gross proceeds of $6,485,082. During 2003, we also received $623,250 of gross proceeds from the sale of shares of our Common Stock in connection with the exercise of outstanding options. During the first six months of 2004, we received an additional $174,386 of cash proceeds from the sale of shares of our Common Stock in connection with the exercise of outstanding options.

As of June 30, 2004, we had working capital of $3,635,906. We believe that our working capital on hand as of the date of this report will be sufficient in order to fund our plan of operations over the next 12 months.

Forward Looking Statements

This report contains forward-looking statements that are based on our beliefs as well as assumptions and information currently available to us. When used in this prospectus, the words "believe," "expect," "anticipate," "estimate" and similar expressions are intended to identify forward-looking statements. These statements are subject to risks, uncertainties and assumptions, including, without limitation, the risks and uncertainties concerning our recent commencement of commercial operations; the risks and uncertainties concerning FDA approval of our products; the risks and uncertainties concerning the acceptance of our services and products by our potential customers; our present financial condition and the risks and uncertainties concerning the availability of additional capital as and when required; the risks and uncertainties concerning technological changes and the competition for our services and products; and the risks and uncertainties concerning general economic conditions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected. We caution you not to place undue reliance on any forward-looking statements, all of which speak only as of the date of this report.

Item 3. Controls and Procedures

Management, including the our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective, in all material respects, to ensure that information required to be disclosed in the reports we file and submit under the Securities Exchange Act of 1934 are recorded, processed, summarized and reported as and when required.

There have been no significant changes in our internal controls or in other factors which could significantly affect internal controls subsequent to the date our management carried out their evaluation. There were no significant deficiencies or material weaknesses identified in the evaluation and therefore, no corrective actions were taken.

PART II - OTHER INFORMATION

Item 2. Changes in Securities and Use of Proceeds.

During the quarter ended June 30, 2004, we issued to 2 parties 23,402 shares of our common stock upon conversion of 8,427 outstanding shares of our Series C Preferred. All investors were accredited investors as defined under Rule 501(a) under the Securities Act of 1933, as amended (the "Act"). The shares were issued pursuant to Section 4(2) of the Act and Rule 506 promulgated thereunder. There was no underwriter involved in the issuance.

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

(a) Index to Exhibits

Exhibit 31.1   Section 302 Certification

Exhibit 32.1   Section 906 Certification

(b)   Reports on Form 8-K

None.

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.

CPC of America, Inc.
(Registrant)

Dated: August 11, 2004   By: /s/ Rod A. Shipman

Rod A. Shipman,
President, Chief Executive Officer
and Chief Financial Officer

EXHIBIT 31.1

CERTIFICATIONS

I, Rod A. Shipman, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of CPC of America, Inc. ("registrant"):

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

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

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

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

b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 11, 2004

/s/ Rod A. Shipman

Rod A. Shipman
Chief Financial Officer

CERTIFICATIONS

I, Rod A. Shipman, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of CPC of America, Inc. ("registrant"):

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

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

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

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

b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 11, 2004

/s/ Rod A. Shipman

Rod A. Shipman
Chief Executive Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Rod A. Shipman, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge, the Quarterly Report of CPC of America, Inc. on Form 10-QSB for the quarterly period ended June 30, 2004 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report fairly presents in all material respects the financial condition and results of operations of CPC of America, Inc.

By: /s/ Rod A. Shipman

Rod A. Shipman, Chief Executive Officer
and Chief Financial Officer