

# SECURITIES AND EXCHANGE COMMISSION

## 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**  
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### FILER

#### **FORTUNE ENTERTAINMENT CORP /DE/**

CIK: **1072702** | IRS No.: **880405437** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **10QSB** | Act: **34** | File No.: **000-30292** | Film No.: **04970656**  
SIC: **7900** Amusement & recreation services

Mailing Address  
8920 W TROPICANA AVE  
SUITE 102  
LAS VEGAS NV 89147

Business Address  
8920 W TROPICANA AVE  
SUITE 102  
LAS VEGAS NV 89147  
7026146124

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-QSB

(Mark One)

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 EXCHANGE ACT

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 0-30292

FORTUNE ENTERTAINMENT CORPORATION

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

DELAWARE

88-0405437

-----  
(State or other jurisdiction  
of incorporation or organization)

-----  
(IRS Employer Identification No.)

8687 West Sahara Avenue, Suite 150, Las Vegas, Nevada 89117

-----  
(Address of principal executive offices)

(702) 614-6124

-----  
(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 such shorter period that the issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY  
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the issuer filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of August 12, 2004, the issuer had 18,122,614 shares of \$.0001 par value common stock outstanding.

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

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FORTUNE ENTERTAINMENT CORPORATION  
(A Development Stage Company)  
CONSOLIDATED BALANCE SHEETS

	June 30 2004	December 31, 2003
	----- (Unaudited)	----- (See Note 1)
<b>ASSETS</b>		
Current assets		
Cash	\$ 66,418	\$ 89
Advance to affiliate	181,423	-
	-----	-----
	247,841	89
Property and equipment, net of accumulated depreciation of \$1,500 and \$1,000	4,150	4,000
Deposits	1,577	-
Trademark	2,500	-
	-----	-----
<b>TOTAL ASSETS</b>	<b>\$ 256,068</b>	<b>\$ 4,089</b>
	=====	=====
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,527,770	\$ 1,787,320
Loans payable	120,000	120,000
	-----	-----
Total current liabilities	1,647,770	1,907,320
<b>SHAREHOLDERS' DEFICIT</b>		
Preferred stock, \$0.0001 par value, convertible		

Class A, B and C Preferred stock; 5,000,000 shares authorized, 4,691; 4,691; 5,357 shares issued and outstanding	1	1
Common stock, \$0.0001 par value, 30,000,000 shares authorized, 19,022,614 and 4,608,674 shares issued and outstanding at June 30, 2004 and December 31, 2003, respectively	1,812	461
Additional paid-in capital	14,486,444	13,402,100
Shares to be issued	124,100	200,000
Accumulated deficit	(13,996,849)	(13,996,849)
Accumulated deficit during development stage	(2,007,210)	(1,508,944)
	-----	-----
Total shareholders' deficit	(1,391,702)	(1,903,231)
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	\$ 256,068	\$ 4,089
	=====	=====

The accompanying notes are an integral part of the consolidated financial statements.

FORTUNE ENTERTAINMENT CORPORATION  
(A Development Stage Company)  
CONSOLIDATED STATEMENTS OF OPERATIONS & DEFICIT  
(UNAUDITED)

	Three Months Ended June 30	
	2004	2003
	-----	-----
REVENUES	\$ -	\$ -
EXPENSES		
Depreciation	250	250
Salaries and consulting fees	330,000	67,500
General and administrative	13,762	5,230
Legal and accounting	36,211	18,510
Rent	612	2,000
Travel and entertainment	7,408	-

Total expenses	388,243	93,490
Net operating (loss)	(388,243)	(93,490)
Other income (expense):		
Other	5,353	250
Interest expense	(3,000)	(3,581)
Total other income (expense)	2,353	(3,331)
Net loss	(385,890)	(96,821)
Deficit, beginning of period	(15,618,169)	(15,195,876)
Deficit, end of period	\$ (16,004,059)	\$ (15,292,697)
Basic and diluted loss per share	\$ (0.03)	\$ (0.02)
Weighted average common shares outstanding	11,595,906	4,550,341

The accompanying notes are an integral part of the consolidated financial statements.

FORTUNE ENTERTAINMENT CORPORATION  
(A Development Stage Company)  
CONSOLIDATED STATEMENTS OF OPERATIONS & DEFICIT  
(UNAUDITED)

For the Period From

	Six Months ended June 30,		January 1, 2002 (date of new development stage) to June 30, 2004
	2004	2003	
REVENUES	\$ -	\$ -	\$ -
EXPENSES			
Impairment	-	-	626,960
Depreciation	500	500	13,500
Salaries and consulting fees	405,000	135,000	945,000
General and administrative	37,821	11,086	183,085
Legal and accounting	41,211	28,545	134,089
Rent	2,212	8,505	51,362
Travel and entertainment	9,408	-	24,646
	-----	-----	-----
Total expenses	496,152	183,636	1,978,642
	-----	-----	-----
Net operating (loss)	(496,152)	(183,636)	(1,978,642)
Other income (expense):			
Other	5,353	250	6,253
Interest expense	(7,467)	(7,523)	(58,283)
Interest income	-	-	23,462
	-----	-----	-----
Total other income (expense)	(2,114)	(7,273)	(28,568)
Loss from continuing operations	(498,266)	(190,909)	(2,007,210)
Loss from discontinued operations	-	-	(13,996,849)
	-----	-----	-----
Net loss	(498,266)	(190,909)	(16,004,059)
Deficit, beginning of period	(15,505,793)	(15,101,788)	
	-----	-----	
Deficit, end of period	\$ (16,004,059)	\$ (15,292,697)	
	=====	=====	
Basic and diluted loss per share	\$ (0.06)	\$ (0.04)	
	=====	=====	
Weighted average common shares outstanding	8,801,013	4,550,341	
	=====	=====	

The accompanying notes are an integral part of the consolidated financial statements.

FORTUNE ENTERTAINMENT CORPORATION  
(A Development Stage Company)  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW  
(UNAUDITED)

<TABLE>  
<CAPTION>

	Six Months ended June 30,		For the Period From January 1, 2002 (date of new development stage) to June 30, 2004
	2004	2003	
<S>	<C>	<C>	<C>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net loss for the period	\$(498,266)	\$(190,909)	\$(2,007,210)
Adjustments to reconcile net loss to net cash used in operating activities:			
Impairment of assets	-	-	626,960
Stock issued for services	255,000	-	255,000
Depreciation	500	500	13,500
Accrued interest income on note receivable	-	-	(23,462)
Changes in operating assets and liabilities:			
Advance to affiliate	(181,423)	-	(181,423)
Deposits and prepaid expenses	(1,577)	-	4,064
Accounts payable and accrued liabilities	163,342	193,853	897,090
	-----	-----	-----
Net Cash Provided by (Used in) operating activities	(262,424)	3,444	(415,481)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Acquisition of property and equipment	(650)	-	(650)
Investment in Trademark	(2,500)	-	(2,500)
	-----	-----	-----
Net Cash (Used in) Investing Activities	(3,150)	-	(3,150)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Sale of common shares	280,150	-	280,150
Advances from related parties	51,753	27,500	174,899
Borrowing from unrelated parties	-	-	30,000
	-----	-----	-----
Net Cash Provided By Financing Activities	331,903	27,500	485,049
NET INCREASE (DECREASE) IN CASH DURING THE PERIOD	66,329	30,944	66,418
CASH AT BEGINNING OF PERIOD	89	-	-
	-----	-----	-----
CASH AT END OF PERIOD	\$ 66,418	\$ 30,944	\$ 66,418
	=====	=====	=====

Schedule of non-cash financing and



investing activities:

Stock issued for liabilities	\$ 474,645	\$ -	\$ 474,645
------------------------------	------------	------	------------

Supplemental cash flow information:

Cash paid for interest	\$ -	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -	\$ -

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

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FORTUNE ENTERTAINMENT CORPORATION  
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2004

1. UNAUDITED STATEMENTS

The balance sheet as of June 30, 2004, the statements of operations and the statements of cash flows for the three and six month periods ended June 30, 2004 and 2003, have been prepared by Fortune Entertainment Corporation (Company) without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures, normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States of America, have been condensed or omitted as allowed by such rules and regulations, and the Company believes that the disclosures are adequate to make the information presented not misleading. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to fairly present the financial position, results of operations and changes in financial position at June 30, 2004 and for all periods presented, have been made.

It is suggested that these statements be read in conjunction with the December 31, 2003 audited financial statements and the accompanying notes included in the Company's Annual Report on Form 10-KSB, filed with the Securities and Exchange Commission.

2. PRINCIPLES OF CONSOLIDATION

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Fortune Entertainment Corporation (Bahamas), Fortune Entertainment Corporation (British Columbia, Canada), and Fortune Poker Inc. (Delaware). All significant inter-company accounts and transactions have been eliminated.

3. RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2004 the Company borrowed \$51,753 from a shareholder of the Company. In May 2004, the Company issued common stock in exchange for these advances. See Note 5.

4. BASIS OF PRESENTATION GOING CONCERN

The accompanying financial statements have been prepared in conformity with U.S. generally accepted accounting principles, which contemplates continuation of the Company as a going concern. However, the Company is in default on its notes payable and various accounts payable and has suffered recurring losses from operations and discontinued operations, has a stockholders' deficiency and a negative working capital that raise substantial doubts about its ability to continue as a going concern. Management is attempting to raise additional capital.

In view of these matters, realization of certain assets in the accompanying balance sheet is dependent upon continued operations of the Company which, in turn, is dependent upon the Company's ability to meet its financial requirements, raise additional capital as needed, and the success of its future operations.

Management believes that its ability to raise additional capital provides an opportunity for the Company to continue as a going concern.

#### 5. COMMON STOCK

During May 2004, the Company issued 3,300,000 shares to an entity controlled by a shareholder for consulting services. During June 30, 2004, the Company issued 3,485,334 shares of common stock for \$260,650 in a private placement. During the three months ended June 30, 2004, the Company issued 6,328,606 shares of common stock in exchange for liabilities valued at \$474,645. Also during the three months ended June 30, 2004, the Company issued 100,000 shares to a shareholder for consulting fees. Also during the three months ended June 30, 2004, the Company issued a total of 300,000 shares of common stock to three individuals according to prior agreements, which had been previously recorded in the financial statements as Shares to be issued.

#### 6. COMMITMENTS

During April 2004, the Company entered into an agreement with an entity controlled by a shareholder to provide consulting services in exchange for 3,300,000 shares of common stock. These shares were issued during May 2004.

## Item 2. Plan of Operation.

Statements contained herein which are not historical facts are forward-looking statements as that term is defined by the Private Securities Litigation Reform Act of 1995. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from those projected. The Company cautions investors that any forward-looking statements made by the Company are not guarantees of future performance and that actual results may differ materially from those in the forward-looking statements. Such risks and uncertainties include, without limitation: established competitors who have substantially greater financial resources and operating histories, regulatory delays or denials, ability to compete as a start-up company in a highly competitive market, and access to sources of capital.

The following discussion and analysis should be read in conjunction with our financial statements and notes thereto included elsewhere in this Form 10-QSB. Except for the historical information contained herein, the discussion in this Form 10-QSB contains certain forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and

intentions. The cautionary statements made in this Form 10-QSB should be read as being applicable to all related forward-looking statements wherever they appear in this Form 10-QSB. The Company's actual results could differ materially from those discussed here.

Management has been actively evaluating and reviewing possible business ventures and opportunities, including the acquisition of another business or other business interests that are substantially different from the past business activities of the Company.

Unless the Company develops an active business or is able to complete a merger, acquisition with an existing business, the Company's cash requirements during the next twelve months will relate to maintaining its status as a corporate entity and complying with the periodic reporting requirements of the U.S. Securities and Exchange Commission.

During the quarter, the Company settled numerous outstanding debts due to affiliates and third-parties by issuing shares of common stock (as described in Part II, Item 2, below).

The Company also raised approximately \$260,000 through a private placement of its common stock. The Company intends to use the proceeds of the offering primarily for the acquisition of another business or for use in an acquired business.

During the past two fiscal years, the Company has funded its operations and capital expenditures primarily through loans from officers, shareholders and third parties. There is no assurance that the Company will be able to obtain the capital it will need or that the Company's estimates of its capital requirements will prove to be accurate.

### Item 3. Controls and Procedures.

Based on their most recent evaluation, which was completed as of the end of the period covered by this periodic report on Form 10-QSB, the Company's Chief Executive Officer and Chief Financial Officer believe the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) are effective to ensure that information required to be disclosed by the Company in this report is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. During the fiscal quarter to which this report relates, there were no significant changes in the Company's internal controls or other factors that could significantly affect these controls subsequent to the date of their evaluation and there were no corrective actions with regard to significant deficiencies and material weaknesses.

## PART II - OTHER INFORMATION

Item 1. Legal Proceedings None.

Item 2. Changes in Securities.

A. Effective May 22, 2004, the Company issued an aggregate amount of 9,455,273 shares of common stock to an aggregate of five persons for the following purposes:

- \* 933,333 shares were issued to Phillip Verrill, an officer and director of the Company, in exchange for \$70,000 of deferred salaries owed to Mr. Verrill by the Company, and 5,333 shares were issued to Mr. Verrill for reimbursement of \$400.00 in debt owed to Mr. Verrill by the Company.
- \* 2,043,470 shares were issued to Douglas R. Sanderson, an officer and director of the Company, in exchange for \$153,185.24 of debt owed to Mr. Sanderson by the Company and 2,044,444 shares were issued to Mr. Sanderson for reimbursement of \$153,333.33 in deferred salaries owed to Mr. Sanderson by the Company.
- \* 400,000 shares were issued to Theodore Silvester, an officer and director of the Company, in exchange for \$30,000.00 of debt owed to Mr. Silvester by the Company.
- \* 728,693 shares were issued to William H. Danton, a principal shareholder of the Company, in exchange for \$54,651.61 of debt owed to Mr. Danton by the Company.
- \* 3,300,000 shares were issued to Innovative Medical Tech Solutions ("Innovative"), as payment for consulting fees owed to Innovative by the Company. Innovative is controlled by William H. Danton.

B. Effective May 24, 2004, the Company issued an aggregate amount of 573,333 shares of common stock to an aggregate of five persons for the following purposes:

- \* 173,333 shares were issued to Mr. Verrill for reimbursement of \$13,000.00 in deferred compensation owed to Mr. Verrill by the Company.
- \* 200,000 shares were issued to one person in repayment of a \$10,000 loan to the Company.
- \* An aggregate of 200,000 shares were issued to three other persons in exchange for fees owed to each of these persons by the Company.

C. Effective June 30, 2004, the Company issued an aggregate of 3,485,334 shares of common stock to 23 persons pursuant to a private placement offering at \$.075 per share.

These transactions did not involve any public offering, no sales commissions were paid, and a restrictive legend was placed on each certificate evidencing the securities. The Company believes that these transactions were exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended and/or Rules 504, 505 or 506 of Regulation D.

- Item 3. Defaults upon Senior Securities - None.
- 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

Exhibit Number	Description
3.1	Certificate of Incorporation currently in effect (Incorporated by reference to Exhibit 2.1 of the Registration Statement on Form 10-SB (File No. 0-23859) effective December 30, 1998).
3.2	Bylaws currently in effect (Incorporated by reference to Exhibit 2.2 of the Registration Statement on Form 10-SB (File No. 0-23859) effective December 30, 1998).
3.3	Certificate of Designation, Preferences and Rights of Series A Preferred Stock (Incorporated by reference to Exhibit 3.1 of the Registration Statement on Form 10-SB (File No. 0-23859) effective December 30, 1998).
3.4	Certificate of Designation, Preferences and Rights of Series B Preferred Stock (Incorporated by reference to Exhibit 3.2 of the Registration Statement on Form 10-SB (File No. 0-23859) effective December 30, 1998).
3.5	Certificate of Designation, Preferences and Rights of Series C Preferred Stock (Incorporated by reference to Exhibit 3.3 of the Registration Statement Form 10-SB (File No. 0-23859) effective December 30, 1998).
10.17	1998 Incentive Stock Option Plan (Incorporated by reference to Exhibit 10.17 of the Annual Report on Form 10-KSB for the year ended December 31, 1998).
10.18	1998 Stock Bonus Plan (Incorporated by reference to Exhibit 10.18 of the Annual Report on Form 10-KSB for the year ended December 31, 1998).
31.1	Section 302 Certification by the Corporation's Chief Executive Officer. (Filed herewith).
31.2	Section 302 Certification by the Corporation's Chief Financial Officer. (Filed herewith).
32.1	Section 906 Certification by the Corporation's Chief Executive Officer. (Filed herewith).

32.2 Section 906 Certification by the Corporation's Chief Financial Officer. (Filed herewith).

(b) Reports on Form 8-K. The Company did not file any Current Reports on Form 8-K during the quarter ended June 30, 2004.

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#### SIGNATURES

In accordance with the requirements of the Exchange Act, the Company caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FORTUNE ENTERTAINMENT CORPORATION

By: /s/ Douglas R. Sanderson  
Douglas R. Sanderson, Chairman, Chief  
Executive Officer, President and Director

By: /s/ Phillip Verrill  
Phillip Verrill, Chief Operating Officer  
and Chief Financial Officer

Date: August 12, 2004

## EXHIBIT INDEX

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3.5	Certificate of Designation, Preferences and Rights of Series C Preferred Stock (Incorporated by reference to Exhibit 3.3 of the Registration Statement Form 10-SB (File No. 0-23859) effective December 30, 1998).



- 10.17 1998 Incentive Stock Option Plan (Incorporated by reference to Exhibit 10.17 of the Annual Report on Form 10-KSB for the year ended December 31, 1998).
- 10.18 1998 Stock Bonus Plan (Incorporated by reference to Exhibit 10.18 of the Annual Report on Form 10-KSB for the year ended December 31, 1998).
- 31.1 Section 302 Certification by the Corporation's Chief Executive Officer. (Filed herewith).
- 31.2 Section 302 Certification by the Corporation's Chief Financial Officer. (Filed herewith).
- 32.1 Section 906 Certification by the Corporation's Chief Executive Officer. (Filed herewith).
- 32.2 Section 906 Certification by the Corporation's Chief Financial Officer. (Filed herewith).

CERTIFICATION PURSUANT TO  
18 U.S.C. ss.1350, AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Douglas R. Sanderson, Chief Executive Officer of Fortune Entertainment Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-QSB for the period ended June 30, 2004 of Fortune Entertainment Corporation;
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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 report is being prepared;
  - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) 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
  - (d) 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 fiscal 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 the 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 control 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 control over financial reporting.

August 12, 2004

/s/ Douglas R. Sanderson  
Douglas R. Sanderson, Chief Executive Officer

CERTIFICATION PURSUANT TO  
18 U.S.C. ss.1350, AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Phillip Verrill, Chief Financial Officer of Fortune Entertainment Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-QSB for the period ended June 30, 2004 of Fortune Entertainment Corporation;
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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 report is being prepared;
  - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) 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
  - (d) 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 fiscal 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 the 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 control 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 control over financial reporting.

August 12, 2004

/s/ Phillip Verrill  
Phillip Verrill, Chief Financial Officer

CERTIFICATION PURSUANT TO  
18 U.S.C. ss.1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Solely for the purposes of complying with, and the extent required by 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned certifies, in his capacity as the Chief Executive Officer of Fortune Entertainment Corporation, that, to his knowledge, the quarterly report of the company on Form 10-QSB for the 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 the information contained in the report fairly presents, in all material respects, the company's financial condition and results of operations.

August 12, 2004

/s/ Douglas R. Sanderson  
Douglas R. Sanderson, Chief Executive Officer

CERTIFICATION PURSUANT TO  
18 U.S.C. ss.1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Solely for the purposes of complying with, and the extent required by 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned certifies, in his capacity as the Chief Financial Officer of Fortune Entertainment Corporation, that, to his knowledge, the quarterly report of the company on Form 10-QSB for the 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 the information contained in the report fairly presents, in all material respects, the company's financial condition and results of operations.

August 12, 2004

/s/ Phillip Verrill  
Phillip Verrill, Chief Financial Officer