

# 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: **2001-08-03** | Period of Report: **2001-06-30**  
SEC Accession No. **0001077048-01-500109**

([HTML Version](#) on [secdatabase.com](#))

### FILER

#### TWIN FACES EAST ENTERTAINMENT CORP

CIK: **1074865** | IRS No.: **223374562** | State of Incorporation: **NV** | Fiscal Year End: **1231**  
Type: **10QSB** | Act: **34** | File No.: **000-25415** | Film No.: **1696630**  
SIC: **7812** Motion picture & video tape production

#### Mailing Address

1850 E FLAMINGO RD 111-A  
LAS VEGAS NV 89119

#### Business Address

1850 E FLAMINGO RD 111-A  
LAS VEGAS NV 89119  
7028665858

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-QSB  
Quarterly Report Under Section 13 or 15(d)  
of the Securities Exchange Act of 1934.

For the quarter ended June 30, 2001 Commission file number 000-25415

Twin Faces East Entertainment Corporation  
(Exact name of registrant as specified in its charter)

Nevada 22-3374562  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

94 Arthur Hills Court 89014  
Henderson, Nevada (Zip Code)  
(Address of principal executive offices)

(732) 763-0901  
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 X No

As of June 30, 2001, there were 5,627,349 shares of common stock outstanding.

INDEX

PART I - FINANCIAL INFORMATION

Page No.

Item 1.	Financial Statements	
	Balance Sheet as of June 30, 2001	3
	Statement of Stockholders' Equity for the three months ending June 30, 2001	4
	Income Statement for the three months ending June 30, 2001 and June 30, 2000	5
	Statement of Cash Flow for the three months ending June 30, 2001 and June 30, 2000	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operation	7-10

PART II - OTHER INFORMATION

Item 1.	Legal Proceedings	9
Item 2.	Changes in Securities	9
Item 3.	Defaults by the Company upon its Senior Securities	9
Item 4.	Submission of Matter to a Vote of Security Holders	10
Item 5.	Other Information	10
Item 6.	Exhibits and Reports of Form 8-K	10
	SIGNATURES	11

<TABLE>

TWIN FACES EAST ENTERTAINMENT CORPORATION  
BALANCE SHEET AS OF  
MARCH 31, 2000

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

ASSETS

	June 30, 2001	June 30, 2000
<S>	<C>	<C>
Current Assets		

Regular Checking Accounts	\$76	\$952
	-----	-----
Total Current Assets	\$76	\$952
	-----	-----
Property and Equipment		
Equipment	\$477	\$1,029
	-----	-----
Total Property and Equipment	\$477	\$1,029
	-----	-----
Other Assets	-	-
Total Assets	\$553	\$1,981
	=====	=====

</TABLE>

<TABLE>

LIABILITIES AND CAPITAL

<S>	<C>	<C>
Current Liabilities		
Accrued Salary	\$586,115	\$518,515
Accrued Expenses	91,784	83,178
Stockholders' Loans (un-reimbursed expenses)	421,856	322,483
	-----	-----
Total Current Liabilities	\$1,099,755	\$934,176
Long-Term Liabilities	40,900	-
	-----	-----
Total Liabilities	\$1,140,655	\$934,176
	-----	-----
Capital		
Common Stock	5,627	4,517
Paid-in Capital	619,075	420,185
Retained Earnings	(1,725,358)	(943,360)
Net Income	(39,446)	(413,537)
	-----	-----
Total Capital	(1,140,102)	(932,195)
	-----	-----
Total Liabilities and Capital	\$553	\$1,981
	=====	=====

</TABLE>

<TABLE>

TWIN FACES EAST ENTERTAINMENT CORPORATION  
STATEMENT OF STOCKHOLDERS' EQUITY  
FOR THE THREE MONTHS ENDING MARCH 31, 2000

			Additional	
	Common Stock	Paid-In	Accumulated	
	Shares	Par Value	Capital	Deficit
<S>	<C>	<C>	<C>	<C>
Balance 12-31-00	5,627,349	5,627	619,075	(1,725,358)

Shares Issued To:  
 Officer/Directors for  
 services  
 Consultants for services  
 Cancelled Shares  
 Other cash  
 Offering Costs  
 Net (loss)

Balance 6-30-01	5,627,349	5,627	619,075	(1,725,358)
	=====	=====	=====	=====

</TABLE>

<TABLE>

TWIN FACES EAST ENTERTAINMENT CORPORATION  
 INCOME STATEMENT  
 FOR THE THREE MONTHS ENDING MARCH 31, 2000 AND MARCH 31, 1999

	June 30, 2001	June 30, 2000
<S>	<C>	<C>
Revenues		
Finance Charge Income	\$3	\$52
	-----	-----
Total Revenues	\$3	\$52
	-----	-----
Cost of Sales	-	-
Total Cost of Sales	-	-
	-----	-----
Gross Profit	3	52
	-----	-----
Expenses		
Total Expenses	39,449	413,589
	-----	-----
Net Income (Loss)	(\$39,446)	\$(413,537)
	=====	=====

</TABLE>

<TABLE>

TWIN FACES EAST ENTERTAINMENT CORPORATION  
 STATEMENT OF CASH FLOW  
 FOR THE THREE MONTHS ENDING MARCH 31, 2000 AND MARCH 31, 1999

	June 30, 2001	June 30, 2000
<S>	<C>	<C>
Cash Flows from operating activities		
Net Income (Loss)	(\$39,446)	\$(413,537)
Adjustments to reconcile net income to net cash provided by operating activities		

Accrued Salary	-	231,267
Accrued Expenses	-	21,529
Stockholders' advances	39,207	158,187
	-----	-----
Total Adjustments	39,207	410,983
	-----	-----
Net Cash provided by Operations	(239)	(2,554)
	-----	-----
Cash Flows from investing activities Used For		
Net cash used in investing	-	-
	-----	-----
Cash Flows from financing activities		
Proceeds From		
Common Stock		133
Paid-in capital		(133)
	-	
	-----	-----
Net cash used in financing	-	-
	-----	-----
Net increase (decrease) in cash	\$ (239)	(\$2,554)
	=====	=====
Summary		
Cash Balance at End of Period	\$76	\$952
Cash Balance at Beginning of Period	\$315	3,506
	-----	-----
Net Increase (Decrease) in cash	\$ (239)	(\$2,554)
	=====	=====

</TABLE>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with the Company's financial statements and the notes thereto contained elsewhere in this filing.

Overview

Twin Faces East Entertainment Corporation, a Nevada corporation (the "Company") is a development stage company formed in 1997. The Company was incorporated under the laws of the State of Delaware on December 5, 1997 and reincorporated under the laws of the State of Nevada on June 17, 1998. The reincorporation in the State of Nevada was the result of Nevada's policy of encouraging incorporation in that State and, in furtherance of that policy, has adopted comprehensive, modern and flexible corporate laws, which are periodically updated and revised to meet changing business needs. In addition, Nevada continues to pursue a position of no corporate taxation.

We have been plagued with insufficient capital from formation. This lack of capital has prevented the Company from developing its product base

which is essentially the production and marketing of films and related products.

## Business of the Company

We are in the development stage as a producer of entertainment and educational related programming and technology, which originated through the efforts of Dr. Michael Smolanoff, a director and officer of the Company. Our products include; (i), documentary films of Dr. Albert Einstein, and (ii) feature film and television scripts.

The Einstein Properties are the result of Dr. Smolanoff's acquisition of the films from Peter A. Buckey. Peter A. Buckey, the son of one of Albert Einstein's oldest and closest friends, provides a rare insight into Albert Einstein's private life, opinions, and foibles that are now folded into unique and rare videos. The Company owns original 16mm film footage of rare moments such as the family vacation when Einstein wrote that fateful letter to Franklin D. Roosevelt that led to the Manhattan Project. Peter was Einstein's driver, and companion initiating extensive dialogue, keeping copious notes, and storing and recording priceless memories.

"Pages From A Rabbit Journal" T, a children's book and future film script was created by Dr. Smolanoff. The story is of The Rabbit Family's adventures in their travels through the forest with many character developments along the path of their journey. The story has been turned into a series of twenty-two minute animated video episodes, each a cliff-hanger and with a positive children's message.

"The Town That Arrested Santa Claus" T. A fully illustrated children's story with a merry cast of Christmas characters in the newly discovered village of Forgottenville. Children of all ages will delight in this unique classic tale, rich with the true meaning and tradition of Christmas. Santa and Forgottenville's citizens are almost tricked by Dr. S. Neak, until a young child comes to Santa's rescue. This is anticipated to become a

Christmas classic and will be available in book, audio cassette and to become a television animated special.

## Properties for Future Development

In addition to the Einstein film, and Pages From a Rabbit Journal, the Company has acquired, from Dr. Smolanoff, various other entertainment books and programming. We plan to release these other products as our business expands and cash flows are adequate to launch new products. We have not established definitive time frames or costs of launching these new products.

"Hidden Treasures of the World" T. This is a series of one hour, made for television, specials showcasing specific geographic locations in the world where billion dollar plus treasure discoveries were made. The first

documentary "St. Lavra" from Kiev Russia is in development.

"Jungle Bunch" T. "The Adventures of the Jungle Bunch" T is a children's story for animation that follows the adventures of five young animals searching for their families. These five babies are brought together as a result of a terrible storm, which separates them from their families. It is a continuing series that focuses on the concept of teamwork, which is somewhat unique in the children's story. This teaches our children in an entertaining and receptive environment to overcome their differences and work together for a common goal. This series is made for television and home video placement.

"Bixbee" T. This is an animated CD ROM game that could easily evolve into a television special. Your child can be scanned into this interactive program for fun and adventures with "Bixbee" T.

"A Real Man". A script written by Johnnie King to be produced by the Company.

#### Marketing

Management believes that, in the foreseeable future, cash generated from operations will be inadequate to support full marketing roll out and ongoing product development, and that we will thus be forced to rely on additional debt and/or equity financing. Management is reasonably confident that it can identify sources and obtain adequate amounts of such financing. We intend to enter into a cooperative arrangement with distributors, whereby we will receive marketing and sales benefits from the professional staff of such distributors. To date, we have not established any such arrangements. In the event we are unsuccessful in generating equity capital, then the Company will be unable to continue with product development and/or marketing. The lack of equity capital could in turn cause the Company to become insolvent.

#### Results of Operations for the three months ended June 30, 2001 and June 30, 2000

Total operating expenses from continuing operations were \$39,449 for the three months ended June 30, 2001 compared to \$413,589 for the three months ended June 30, 2000. Utilizing an average daily calculation of operating expenses of \$438 for the period ending June 30, 2001, and an average daily calculation of operating expenses of \$4,595 for the period ending June 30, 2000, this represented a 90% decrease in average daily operating expenses.

The decrease in expenses was primarily the result of the Company no longer accruing salaries for any officer of the company expenses during the period ending June 30, 2001. Further, the legal and professional expenses were minimal primarily the result of the Company's internal preparation and filings with the Securities and Exchange Commission.



## Forward-Looking Statements and Associated Risks

This Quarterly Report on Form 10-QSB contains forward-looking statements made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. These forward looking statements are based largely on the Company's expectations and are subject to a number of risks and uncertainties, many of which are beyond the Company's control, including, but not limited to, economic, competitive and other factors affecting the Company's operations, markets, products and services, expansion strategies and other factors discussed elsewhere in this report and the documents filed by the Company with the Securities and Exchange Commission. Actual results could differ materially from these forward-looking statements. In light of these risks and uncertainties, there can be no assurance that the forward-looking information contained in this report will in fact prove accurate. The Company does not undertake any obligation to revise these forward-looking statements to reflect future events or circumstances.

### Liquidity and Capital Reserves

As of June 30, 2001 and June 30, 2000 (Unaudited)

As of June 30, 2001, the Company's assets were \$553 and its liabilities were \$1,140,655, resulting in an deficit of assets of (\$1,140,102). Cash was \$76 at June 30, 2001 as compared to cash of \$952 on June 30, 2000, a decrease of \$876. This represented a 92% decrease in available cash. This decrease was primarily the result of an increase in operating expenses and almost zero income.

The Company has continued to fund its deficit cash flow from private placements of the Company's common stock, loans from officers and directors, and a long-term loan from a private investor. It is anticipated that loans and the sale of the Company's stock will continue until such time as the Company generates sufficient revenues from its operations to cover operating expenses.

### PART II--OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 2. Changes in Securities.

None.

Item 3. Defaults by the Company upon its Senior Securities.

None.

Item 4. Submission of Matter to a Vote of Security Holders.

None.

Item 5. Other Information.

None.

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

None.

#### SIGNATURES

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

TWIN FACES EAST ENTERTAINMENT CORPORATION  
(Registrant)

By:/s/ Michael Smollanoff  
Michael Smolanoff  
CEO, President

By:/s/ Stanley Teeple  
Stanley L. Teeple  
Secretary/ Treasurer

Date: August 1, 2001

Date: August 1, 2001