FLEXXTECH CORP
Form 10KSB/A
January 02, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10KSB/A2

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the fiscal year ended December 31, 2001.

OR

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

Commission File No. 000-25499

FLEXXTECH CORPORATION
(Name of Small Business Issuer in its Charter)

Nevada	88-0390360
(State or Other Jurisdiction of Incorporation or Organization)	I.R.S. Employer Identification Number)

1501 W. Shady Grove Rd.
Grand Prairie, Texas 75050
(Address of Principal Executive Offices) (Zip Code)

(972) 986-4425
(Issuer's Telephone Number, Including Area Code)

Securities Registered Pursuant to Section 12(b) of the Exchange Act:

NONE

Securities Registered Pursuant to Section 12(g) of the Exchange Act:
Common Stock $0.001 Par Value

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 [ ]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this Form 10-KSB or any amendment to this Form 10-KSB. [x]

The revenue of Flexxtech Corporation for the fiscal year ended December 31, 2001, was $0, as amended, and restated disclosing the loss from the operations of North Texas Circuit Board Co., disposed of in August 2002.

As of December 31, 2001, Flexxtech Corporation had a limited public trading market for its common stock. The aggregate market value of the common equity held by non-affiliates of Flexxtech Corporation on December 31, 2001, was $6,760,397. Directors, Officers, and ten percent or greater stockholders were assumed to be affiliates for purposes of this calculation.

The number of shares outstanding of Flexxtech Corporation's Common Stock as of December 31, 2001, was 17,869,853, and as of July 31, 2002, were 28,676,425.

Transitional Small Business Disclosure Format (check one): Yes [ ] No [x]

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PART I

ITEM 1. BUSINESS

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-KSB may contain forward-looking statements, including (without limitation) statements concerning possible or assumed future results of operations of Registrant, and statements preceded by, followed by or that include the words "believes," could," "expects," "anticipates," or similar expressions. You should understand that various events could cause those results to differ materially from those expressed in such forward-looking statements. These include materially adverse changes in economic conditions in the markets served by the companies; competition from others in the same markets and other industry segments; the ability to enter, the timing of entry and the profitability of entering new markets; greater than expected costs; and other risks and uncertainties as may be detailed from time to time in Registrant's public announcements and SEC filings.

A. FLEXXTECH CORPORATION

1. History

Flexxtech Corporation (hereinafter "Flexxtech" or the "Company" or "Registrant") was originally incorporated in the State of Nevada under the name, "Color Strategies" on March 24, 1998. The Company changed its name to "Infinite Technology Corporation" on December 23, 1999. On May 4, 2000, the Company changed its name to "Flexxtech Corporation".

From March 1998 through December 1999, the Company operated under the name "Color Strategies", and conducted a business of creating and presenting self-improvement and motivational seminars which utilized the concept of image and style enhancements.

New management took over responsibilities in April of 2000, changed the corporate name to Flexxtech Corporation, and changed the business focus toward the acquisition of one or more operating technology companies.

In May of 2000, Flexxtech acquired Mardock, Inc. ("Mardock"), a designer, manufacturer and distributor of apparel and promotional products to the corporate community.

In August of 2000, Flexxtech acquired a majority interest in North Texas Circuit Board Co. (hereafter "NTCB", or "Circuit Board"). NTCB manufactures high quality, quick turn printed circuit boards. Flexxtech made this acquisition through the acquisition of 67% of the common stock of Primavera Corporation, a parent company which owned 100% of the stock of NTCB, in exchange for 195,000 shares of Flexxtech stock, valued at $325,000, plus a contribution of $1,250,000 in cash to NTCB as additional working capital.

In September of 2000, Flexxtech acquired 80% of the outstanding stock of OpiTV.com. OpiTV.com is an I-commerce technology company in the development stage and without operations, with a business plan to market and distribute a Set-Top-Box (STB) TV device.

In November of 2000, Flexxtech acquired an additional 13% of Primavera Corporation, the parent company of NTCB. This increase in equity brought Flexxtech's indirect ownership of NTCB from 67% to 80%.

In late 2000, management determined that the Company's capital and management resources were spread too thin to properly address the capital needs and the management needs of its three subsidiaries. As a result, management determined to sell or close down both Mardock, Inc. and OpiTV.com, and concentrate their efforts developing the business of NTCB.

In July of 2001, the Company sold all of its common stock ownership in Mardock, Inc.

In July of 2001, the Company also sold all of its common stock ownership in OpiTV.com.

At the beginning of April, 2000, the Company forward split its Common Stock on a 2 for 1 basis, increasing Common Stock outstanding from 2,668,417 shares to 5,336,834 shares.

New management of Flexxtech which came in at the end of April, 2000, reversed this split and further reduced shares outstanding by effecting a reverse stock split on a 1 for 3 basis at the end of April 2000, thereby reducing common stock outstanding from 5,336,834 shares to 1,778,978 shares.

In March of 2001, Flexxtech accomplished a 3 for 2 forward stock split, increasing outstanding common stock of Flexxtech from 7,338,901 shares to 11,008,367 shares outstanding.

In each case, management was advised by legal counsel that these stock splits could be accomplished by action of the Board of Directors and without a shareholders' vote under Nevada law, and in each case no shareholder vote or consent was solicited or obtained, and the action was accomplished solely by action of the Board of Directors, and corporate filings to split the stock filed with the Nevada Secretary of State.

In July 2001, Flexxtech acquired the additional 20% of Primavera's Common Stock and thereby an additional 20% interest in NTCB, in consideration for the issuance of 100,000 options to purchase common stock, issued to the four minority shareholders who held 20% of Primavera Corp. The options are exercisable $2.50 per share and expire on June 17, 2004.

At December 31, 2001, the Company's only operating subsidiary was NTCB. As a result at December 31, 2001, Flexxtech operated as a holding Company, owning 100% of the outstanding capital stock of NTCB, through its ownership of 100% of Primavera Corporation, NTCB's 100% owner parent. Flexxtech had no other operations outside the activities of NTCB.

(B) North Texas Circuit Board Company

Our wholly-owned subsidiary, Primavera Corporation, sold 100% of the shares of its wholly-owned subsidiary, North Texas Circuit Board Company (NTCB) of Grand Prairie, Texas, to BC Electronics, Incorporated. All closing documents were completed and the transaction was consummated on September 13, 2002.

NTCB was the only operating business of our Company. NTCB.

North Texas Circuit Board Company ("Circuit Board" or "NTCB") was originally incorporated in Texas in March of 1979 and from inception has been in the business of the manufacture of electronic circuit boards to spec for military, government and commercial applications. Primavera acquired 100% of NTCB from family interests in May of 2000. Flexxtech acquired 67% of Primavera in August of 2000, 13% in November of 2000, and 20% in July of 2001, bringing its total ownership to 100% of Primavera in July of 2001.

After our acquisition of NTCB, it continued to operate at a substantial loss, despite reductions in employees and other cost cuts.

NTCB exhausted a $500,000 bank line and was forced to borrow in excess of $1,700,000 in short term money from a private lender on terms which granted a security interest in all of its assets to the private lender. The private lender was BC Electronics, Incorporated.

By August 20, 2002, NTCB was in default on aggregate secured debt in excess of $2,250,000, debt and BJ Electronics, Incorporated was threatening to foreclose on all NTCB assets. Flexxtech management determined it could no longer support this continuing loss, that Flexxtech and its subsidiaries did not have the capital resources to forestall a foreclosure of NTCB assets, and that the resources of Flexxtech were better expended in areas with better prospects for business profit.

As a result, Flexxtech management entered into arms' length negotiations with BC Electronics, Incorporated which resulted in the sale of all of the NTCB stock to the creditor, in exchange for cancellation of the NTCB debt.

As part of this negotiation, we were able to retain a 10% prospective interest in future NTCB after tax profits over the next five years, if the purchaser is able to successfully turn the NTCB business around and NTCB realizes net after tax profits. However, any such distribution is to be reduced by the costs of settlement of all accrued NTCB liabilities existing at June 19, 2002, which are incurred by the purchaser. We are uncertain as to whether this continuing interest will have any significant value in the future.

The private lender turned purchaser, BC Electronics Incorporated, is a Texas corporation which has no relationship to NTCB, Primavera Corporation, Flexxtech or its or their officers, directors or principal shareholders.

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ACQUISITION OF W3M, INC. (dba "Paradigm Cabling Systems")

On October 1, 2001, the Company acquired 80% of the outstanding Common Shares of W3M, Inc. (dba "Paradigm Cabling Systems"), a privately held California corporation ("Paradigm"), in a stock for stock exchange. Pursuant to the terms of the acquisition, 80% of the outstanding capital stock of Paradigm was transferred to the Company on said date. In exchange, the Company agreed as soon as practical to issue shares of a new Series A Convertible Preferred Stock of Flexxtech Corporation (hereinafter the "Series A Preferred"), to the exchanging shareholders of Paradigm as follows:

Name	No. Of Shares of Series A Convertible Preferred
Michael Cummings	71.25 shares
Ashford Capital	71.25 shares
Total	142.50 shares

The Series A Preferred is to be convertible, in whole or in part at the option of the holder, into shares of the Common Stock of Flexxtech. Each one share of Series A Preferred is to be convertible into the number of shares of Flexxtech Common Stock obtained by dividing $10,000 by 85% of the average of the lowest three intra day bids for Flexxtech's Common Stock on the primary exchange or public market in what Flexxtech's Common Stock is listed, over the ten trading days immediately preceding the conversion date, and multiplying the result by 120%. Fractional common shares on conversion are rounded to the nearest whole share.

The Series A Preferred is to have a liquidation preference equal to $15,000 per Series A share, after which each share will share on a pro rata basis with the Common Stock, based upon the number of shares into which the Series A Preferred would have been convertible on the date of liquidation, distribution of assets, dissolution or winding up. The Series A Preferred is to also have various other anti-dilution protections.

The Company at its sole discretion, has the option to redeem all or part of the Series A Preferred at a redemption price equal to the greater of $12,000 per share, or the market value of the Common Stock into which the Series A Preferred is convertible on the date of redemption.

Because Flexxtech's Articles of Incorporation do not provide for Preferred Stock, before the Series A Preferred can be authorized and issued, the shareholders of Flexxtech, by majority in capital interest, must adopt amendments to the company's Articles of Incorporation. In the event Flexxtech has not obtained the necessary shareholder approvals amending its Articles to create the class of Series A Preferred Stock, and is unable to issue the required Series A Preferred shares and deliver the certificates evidencing said shares to the Paradigm exchanging shareholders by the close of business at 5 p.m. Pacific Standard Time, on January 31, 2003, then in such event the Paradigm exchanging shareholders' entitlement to Series A Preferred Shares converts automatically and without further action on their part, into a right to immediately receive in lieu of said Series A Preferred Stock, that number of shares of Flexxtech Common Stock to which the Paradigm exchanging shareholders would have been entitled had they been previously issued the Series A Preferred Stock, and then elected on January 31, 2003 to have all of their Series A Preferred Stock converted into Flexxtech's Common Stock in accord with the above described Series A Preferred conversion provisions.

As part of the transaction, the Company agreed to use its best efforts to arrange in the future for an infusion of $250,000 in additional capital, either as debt or equity or some combination of both, to Paradigm, in order to increase its working capital.

On September 16, 2002, Michael Cummings, the President and CEO of Paradigm, and one of the two Paradigm shareholders exchanging shares, was elected to fill one of the existing vacancies on the Board of Directors of Flexxtech.

As a result of this transaction, Flexxtech acquired Paradigm as an 80%-owned subsidiary. The remaining 20% of Paradigm's outstanding stock continues to be held Greg Wilber, Mondo Marshall and Sandra Stewart, the original Paradigm shareholders.

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II. BUSINESS OF PARADIGM

As a result of its acquisition of 80% of Paradigm, and its previous sale on September 13, 2002 of its former wholly-owned subsidiary, North Texas Circuit Board Corp., the sole business of the Company as of November 1, 2001, became the business carried on by its 80%-owned subsidiary, Paradigm.

PRIOR HISTORY OF PARADIGM. Paradigm was incorporated in California in May of 1998, under its current corporate name, W3M, Inc., to establish a business of providing equipment, contract installation and technical consulting in connection with the establishment of cable systems for larger industrial and educational complexes.

CURRENT BUSINESS. Paradigm is a full service computer cabling, networking and telecommunications integrator contractor, providing networks from stem to stern in house, for larger, medium and smaller industrial, educational and residential complexes. During the 9-1/2 months through October 14, 2002, Paradigm booked in excess of $1,000,000 in sales of products and services.

A. PRODUCTS. The Company designs and installs voice, video/audio, and data networks utilizing copper and fiber optic products for its customers. The Company's services include:

Project management
Data communications services
Structured cabling design
Planning Installation and support services
Hardware maintenance/installation
Equipment installation and relocation services
Training
Electrical installations
Conduit design and installation

B. SERVICES. Paradigm's engineers design, install and service Communication Infrastructure for Voice and Data; including Copper, Fiber and Wireless Systems. The Company's staff has an aggregate of over 235 years of telecommunications experience, and management prides itself on providing a turn-key solution to meet the customer's technology needs.

Paradigm Cabling Systems' professional infrastructure services include:

Category 3, 5, 5e and 6 twisted pair cable installation
Single-mode/Multi-mode fiber optics installation RG6, 8, 58, 59, and 62 coaxial cable, and .500 series broadband coax installation
Networking equipment sales, service, and installation
Phone switch sales, service, and programming, and installation
Wireless LAN/WAN installation
Electrical installations
OSP trenching/backfill and conduit installations
Full service 24-hour Service Department
Technicians Certified for work with Asbestos and Lead, Firestop Certified, Fiber Certified, Copper Solution certified.

C. ORGANIZATION - PARADIGM'S THREE DIVISIONS

Paradigm's services and products have been sub-divided into three divisions:

Electrical Division:

In-House Wiring
Main & Sub Panel Addition/Replacement
Additional Power Circuits (IG & Isolated)
Un-interruptable Power Systems (UPS)

Re-locatable Building Power Hookup

Construction Division:

Conduit Distribution Systems Design & Installation (EMT, IMC, RIGID, PVC)
Concrete Cutting, Coring & Replacement
Asphalt Cutting & Replacement

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Voice Division:

Installation and Maintenance of Telephone Switching Equipment
Certified Technicians from Nortel Meridian, Lucent, Telrad, Panasonic, Com-Dial, Mytel
Complete design and relocation service
Structured Cabling Design, Planning, Installation and Maintenance Services
Network Analysis, Design, Troubleshooting, and Support
Project Management
System Integration & Hardware Maintenance
Equipment Installation and Relocation Services
Site Surveys and Construction Planning
Documentation/Auto CAD
Underground & Aerial Cable Installation
24 Hour/7Day-A-Week Support

D. CUSTOMERS. Paradigm's customers range from small organizations to very large corporations, and are in a diversity of industries, from manufacturing, retail and financial to education and government.

Complexes undertaken by Paradigm over the past four years have included the following projects:

1. WARNER BROTHERS - Installation of 51 Category 6 stationers and (2) 6-strand multimode fiber optic cables to the 3rd and 4th floor IDF's. (2002)

2. VERIZON - Authorized Structured Cabling Partner. (1999)

3. UPS - Installation of OSP fiber and Copper throughout campus. Installation of 150 locations (600 Cables) in a 150,000 square foot student recreation center. Work also includes installation of fiber background to (7) IDF closets. (2001)

4. NEXTEL - Installation of 1,000 voice and data stations (4,000 Cables) in two 40,000 square foot office buildings. Work included high count OSP Fiber and copper cables. (2001)

5. UCLA - Designated Installation Contractor for UCLA Medical Center Voice and Data Communications infrastructure. (2002)

6. UNIVERSITY OF CALIFORNIA, IRVINE - Installation of OSP fiber and Copper throughout campus. Installation of 150 locations (600 Cables) in a 150,000 square foot student recreation center. Work also includes installation of fiber and copper backbone able. (2000)

7. LUCENT TECHNOLOGIES - Installation of 1,000 voice and data stations (4000 Cables) in an 180,000 square foot laser manufacturing facility. Design and install MDF, splicing 1200 pair cable, and conduit horizontal pathways. (2000)

8. PACIFIC SUNWEAR - Installation of (750) duplex category 6 voice and Data Work Area Outlets, Optical Fiber riser and paging system in two buildings totaling 320,000 square feet of clothing distribution and office space. Build-out Pacific Sunwear Corporate Data Center.

Other customers over the past four years have included the following companies:

Loma Linda University	Intel
K-Love	SBC
Kaiser Permanente	Union Bank of California
Veterinary Pet Insurance	Pacsun.com
City of Hope	Wells Fargo Bank

As a total telecommunications services provider, Paradigm has network systems integration and installation experience with Bay Networks, 3Com, and Cisco Systems.

E. WARRANTIES. Paradigm typically guarantees its materials and workmanship for 15 years. The Company also registers its installed systems with the manufacturer and will extend the manufacturers' warranty for the customers where applicable.

Paradigm is an authorized Commscope, Panduit, Leviton, Ortronics, Nordx, General/Brand-Rex BICC Company, Siemon and Tyco/Amp Certified Installations Company. This enables the Company to maintain manufacturers extended performance and product warranties for its registered projects.

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F. VENDORS. Paradigm utilizes a network of manufacturers and suppliers throughout the world. Each supplier is monitored for quality, delivery performance and cost through a well-established certification program. This network has manufacturing and engineering capabilities to customize products for specialized applications. Paradigm believes that the loss of any single source of supply would not adversely affect its business.

G. COMPETITION. Paradigm competes with other technical service companies, many of whom have more experience and are better capitalized. Management believes it compares favorably to competitors because of Paradigm's broad suite of high quality technical services, product quality and selection, and its superior customer service.

H. EMPLOYEES. As of November 1, 2002, the Company had 18 full time employees and no part time employees. None of the Company's employees belong to a union.

I. PATENTS, COPYRIGHTS AND TRADEMARKS. Paradigm holds no copyrights, patents or trademarks.

J. CAPITAL. Paradigm's capital is currently sufficient to maintain, but not to expand its business. Flexxtech, as part of the transaction whereby it acquired 80% of the outstanding stock of Paradigm, has committed to raise a total of $250,000 in additional capital for Paradigm, through the private sale of debt or equity, or perhaps a combination thereof. Whether Flexxtech will be successful in raising this capital, or over what period and at what cost, is uncertain at this time. As a result, the sources, availability and terms for additional capital to expand Paradigm's business are unknown at this date, and there is no assurance the Company will be able to obtain sufficient capital to expand its business and further implement its business plan.

K. CAUTION REGARDING FORWARD-LOOKING STATEMENTS. Certain of the statements contained in this Form 8-K Report are not historical facts, but are "forward-looking statements". They can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "should", "intends" or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. Such forward-looking information involves important risks and uncertainties that could significantly affect otherwise expected results in the future.

The Company does not promise to update forward-looking information to reflect actual results or changes in assumptions or other factors that could affect those statements. Persons reading this Form 8-K Report are cautioned that such statements are only predictions and that actual events or results may differ materially. In evaluating such statements, readers should specifically consider all the various factors which could cause actual events or results or differ materially from those anticipated by such forward-looking statements.

(c) OTHER PORTFOLIO INVESTMENTS

Flexxtech Holdings also owns various smaller investments which have not been listed because they represent in total less than five percent (5%) of Flexxtech Holdings' total portfolio assets.

2 PRIMAVERA CORPORATION

On August 15, 2000 Flexxtech Holdings, Inc. acquired 67% of Primavera Corporation, a Texas corporation, and the parent company and 100% owner of the outstanding capital stock of North Texas Circuit Board Company.

Primavera Corporation was formed in Texas on April 26, 2000. The company is currently a holding company, which operates solely through its wholly-owned subsidiary, North Texas Circuit Board Company. Primavera was organized to acquire NTCB, and did acquire 100% of NTCB in May of 2000 in consideration for a loan of $250,000 to NTCB.

Flexxtech Holdings acquired 67% of Primavera Corporation in consideration for $1,575,000, of which $325,000 was paid in the form of 195,000 shares of Flexxtech Common Stock which was issued to the shareholders of Primavera, and $1,250,000 which was contributed in cash as additional working capital to NTCB.

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On October 31, 2000, Flexxtech's ownership was increased by 13% to 80% of Primavera Corporation, as a result of renegotiation of the original purchase agreement. No additional consideration was paid by Flexxtech for this increased interest.

In July of 2001, the Company acquired the remaining twenty percent of Primavera's Common Stock in exchange for execution of a release in favor of the selling shareholders, thereby giving Flexxtech a 100% ownership in both

Primavera and its wholly-owned subsidiary, NTCB.

ITEM 2. DESCRIPTION OF PROPERTY

In January 2002, Flexxtech moved its headquarters to its subsidiary's facility (NTCB) at 1501 W. Shady Grove Rd., Grand Prairie, Texas 75050. Flexxtech also leases office space at 5777 W. Century Blvd., Suite 767, Los Angeles, California 90045, under an office lease. Our monthly rent is $845 per month. Other office facilities of similar type and terms are readily available in Los Angeles.

NTCB leases approximately 25,000 square feet of office and factory space in Grand Prairie, Texas, under a long term lease ending in April of 2001, at a rental of $10,000 per month. In July of 2002, NTCB entered into a new lease at a rent of $12,500 per month, extending through June of 2004. Facilities of similar type and terms are readily available.

ITEM 3. LEGAL PROCEEDINGS

On April 26, 2001 a suit filed in Los Angeles Superior Court was brought against the Company and certain officers and directors by Robert Eubanks, Larry Donizette and Luminary Ventures, Inc. The complaint was for breach of contract among other actions. Management rigorously defended itself, and believed that a settlement would be reached. Management felt that the action against the Company was not material to the business of the Company. On April 4th, 2002, a settlement was reached wherein the Company paid $8,000 in cash and issued them 90,000 warrants to acquire 90,000 shares of Flexxtech Common Stock at an exercise price of $1.60 per share exercisable through August of 2004.

At December 31, 2001, the Company did not have, nor was it involved in any other litigation. NTCB, from time to time is involved in litigation in the ordinary course of its business. All of such litigation has been immaterial to date.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

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PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION

Flexxtech's Common Stock is quoted on the Over-The-Counter Bulletin Board (OTCBB). There are no outstanding options or warrants to purchase, or securities convertible into our common equity other than , and . On June 12, 2001, we began trading on the OTCBB, under the symbol "FLXC". Prior to quotation on the OTCBB , we traded on the Pink Sheets OTC Electronic Quotation Service.

The table below sets forth the high and low bid prices for our Common Stock for each quarter within the last two fiscal years as reported by Prophet Financial Systems. These over-the-counter market quotations may reflect inter-dealer prices without retail mark-up, markdown or commission and may not necessarily represent actual transactions.

Common Stock Bid

		High	Low
Fiscal 2000:			
	1st Quarter	$0	$0
	2nd Quarter	$3.67	$3.67
	3rd Quarter	$4.83	$3.33
	4th Quarter	$7.33	$3.67
Fiscal 2001:			
	1st Quarter	$8.00	$6.00
	2nd Quarter	$8.00	$2.00
	3rd Quarter	$4.50	$0.80
	4th Quarter	$1.25	$0.66

HOLDERS

As of December 31, 2001 Flexxtech had in the aggregate 932 shareholders directly of record or in street name.

DIVIDENDS

The payment of dividends is within the discretion of our Board of Directors. We currently intend to retain all earnings, if any, in the foreseeable future for use in the development of our business. We have not paid dividends since our inception. It is not anticipated that any dividends will be paid in the foreseeable future and there can be no assurance that dividends can or will ever be paid. The payment of dividends is contingent upon future earnings, if any, our financial condition and capital requirements, general business conditions and other factors.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS.
None.

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RECENT SALES OF UNREGISTERED SECURITIES

During the past two years, the Company has sold the following securities in transactions exempt from registration under the Securities Act of 1933.

Title &	Nature &	Underwriting	Exemption

Date	Amount of Securities	Principal Underwriters	Amount of Consideration	Discounts & Commissions	Relied Upon
06/2000	13,600	None	5%	10%	Reg. D
06/2000	22,400	None	5%	10%	Reg. D
06/2000	2,000	None	5%	10%	Reg. S
07/09/2000	253,852	None	5%	10%	Reg. D
07-09/2000	61,480	None	5%	10%	Reg. S
10-12/2000	639,119	None	5%	10%	Reg. D
10-12/2000	141,412	None	5%	10%	Reg. S
01-03/2001	38,400	None	5%	10%	Reg.D
01-03/2001	17,567	None	5%	10%	Reg. S
04-06/2001	83,833	None	5%	10%	Reg. D
04-06/2001	10,250	None	5%	10%	Reg. S
07-09/2001	31,996	None	5%	10%	Reg. D
07-09/2001	6,676	None	5%	10%	Reg. D

In the 12 months ended December 31, 2001 and pursuant to Bregulation D or Regulation S we sold:

	Amount of Securities	Price	Gross Proceeds
	318,164	$ .21	$ 66,814
	152,901	$ .20	$ 30,580
	7,333	$ .30	$ 2,200
	130,000	$ .35	$ 45,500
	3,667	$ .55	$ 2,017
	42,306	$ .65	$ 27,499
	8,670	$ .75	$ 6,502
	105,820	$1.00	$105,820
	15,180	$1.67	$ 25,350
	3,000	$1.75	$ 5,250
	10,333	$3.00	$ 31,000
Total	691,554		$312,282

We also received $30,150 in subscription for 69,689 shares of common stock yet to be issued.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The discussion and financial statements contained herein are for the months and year ended December 31, 2001 and December 31, 2000. The following discussion regarding the financial statements of the Company should be read in conjunction with the financial statements of the Company included herewith.

1. OVERVIEW

(a) Flexxtech changed its business focus in 2001. Flexxtech's focus was previously based on operating its three wholly or partially owned subsidiaries through May of 2001. In June 2001, management decided to concentrate management efforts and Flexxtech's resources on Flexxtech's wholly-owned subsidiary, North Texas Circuit Board, Co. ("NTCB"). Management further decided to divest itself from its two other operating companies, Mardock, Inc. and OpiTV.com, that in management's view, were not performing. As a result, in July 2001, Flexxtech sold both Mardock, Inc. and OpiTV.com. As a subsequent event, on August 20, 2002, we sold North Texas Circuit Board. We have restated our Statement of Operations by disclosing the loss from the operations of NTCB, as a separate line item in the Statement of Operations.

Summary of Disposal of NTCB

On August 20, 2002, the Company sold North Texas Circuit Board. North Texas Circuit Board (NTCB), a Texas Company which was 100% owned by Primavera, a 100% owned subsidiary of Flexxtech Holdings, Inc. The Company owns 100% ownership of Flexxtech Holdings, Inc. NTCB manufactures printed circuit boards. Per the Share-purchase agreement between the Company and the purchaser (P), the following facts are related to the transaction:

NTCB executed certain promissory notes payable to a bank in Texas. The notes were secured by the assets and 100% of the outstanding shares of NTCB. In June 2002, the Company signed an agreement with a non-related party to borrow money on various promissory notes, payable in sixty days after the signing of the notes and bearing an interest rate of 7% per annum. The Notes were secured by the properties of NTCB. Total outstanding amount on such promissory notes amounted to $576,000 at June 30, 2002. Subsequent to June 30, 2002, NTCB borrowed additional amount on promissory notes amounting $1,122,188. In July 2002, "P" purchased all the right, title and interest of bank in the bank notes amounting $557,672. "P" also acquired security interest held by bank as collateral. At the date of the agreement, total sum of $2,255,860 was owed to "P" by NTCB. Since NTCB was in default in the payments of its obligations, "P" exercised its option under the notes and the security agreements. At the Closing of the transaction, Primavera sold all of the duly issued fully paid capital stock of NTCB in consideration of the amount equal to outstanding debt to "P". It was also, agreed between the parties that "P" will pay 10% of the after tax profit of NTCB to the Company for a period of five years subsequent to the consummation of the transaction. As further consideration to "P", the Company and its subsidiaries released "P" from all debts and obligations otherwise owed by NTCB to the Company. The disposal of NTCB resulted in a net gain of $327,012 to the Company as follows:

Value of the NTCB at disposal:	(in 000)
Assets	$2,806
Liabilities	3,133
Consideration received	--

Gain on disposal	$ 327

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Following is the results of the NTCB operations included in the loss from discontinued operations for all periods presented:

	YEAR ENDED DECEMBER 31, 2001	2000
	(Dollars in thousands)	
Revenue	$ 5,716	$ 4,071
Expenses:		
Costs of revenue	4,954	3,750
Operating expenses	2,521	1,124
Total expenses	7,475	4,874
Loss from operations of discontinued operations	$ (1,759)	$ (803)

(b) At the beginning of April, 2000, the Company forward split its Common Stock on a 2 for 1 basis, increasing Common Stock outstanding from 2,668,417 shares to 5,336,834 shares.

New management of Flexxtech effected a reverse stock split on a 1 for 3 basis at the end of April 2000, thereby reducing common stock outstanding from 5,336,834 shares to 1,778,978 shares.

In March of 2001, Flexxtech accomplished a further 3 for 2 forward stock split, increasing outstanding common stock of Flexxtech from 7,338,901 shares to 11,008,367 shares outstanding.

In each case, management was advised by legal counsel that these stock splits could be accomplished by action of the Board of Directors and without a shareholders' vote under Nevada law, and in each case no shareholder vote or consent was solicited or obtained, and the action was accomplished solely by action of the Board of Directors and corporate filings to split the stock filed with the Nevada Secretary of State.

(c) ADDITIONAL CAPITAL RAISED. In the 12 months ended December 31, 2001 the Company raised a total of debt capital and convertible debt capital of $2,258,236 comprised of certain shareholders and non-shareholders loaning the Company $1,388,236 and convertible debt of $150,000 and $720,000.

The notes of $1,388,236 are due on demand and bear interest of 10% per annum. The $150,000 of convertible debt is payable $50,000 in August 2004 and $100,000 in April of 2004, and bears interest at 10% per annum.

The $720,000 received are convertible debentures received from a private offering the Company commenced in August 2001. The debentures carry an interest rate of 6% per annum and are due in August 2003.

The holders of the $150,000 in convertible debt and the $720,000 in convertible debt are entitled to, at any time or from time to time, convert into shares of common stock of the Company, par value $.001 per share at a conversion price for each share of common stock equal to the lower of (a) 120% of the closing bid price per share (as reported by Bloomberg, LP) on the closing date, or (b) 80% of the lowest closing bid price per share (as reported by Bloomberg, LP) of the Company's common stock for the five trading days immediately preceding the date of conversion.

2. YEAR ENDED DECEMBER 31, 2001 VERSUS YEAR ENDED DECEMBER 31, 2000, AS AMENDED

(a) Results of Operations

The Company had loss from operation of $9,281,124 in 2001 as compared to $901,067 in 2000. This loss included general and administration costs of $7,093,656 and $822,222 for the years ended December 31, 2001 and 2000, respectively. The increase is due to issuance of 7,005,321 shares for consulting services and compensation valued at $6,318,168. The Company incurred a net loss of $12,392,858 for the year ended December 31, 2001 as compared to a net loss of $1,814,953 for the year ended December 31, 2000. $ 3,111,734 of the loss came from came from discontinued operations in 2001 as compared to $901,067 in 2000..

ADJUSTMENTS AT SEPTEMBER 30, 2001:

Subsequent to the issuance of the Company's consolidated financial statements for the nine-month period ended September 30, 2001, the Company determined that certain transactions and presentation in the financial statements had not been accounted properly in the Company's financial statements. The Company's 2001 financial statements have been restated to correct errors as follows:

(1) The failure to record the debenture conversion provision of $55,000 in the three-month period ended September 30, 2001.

(2) Incorrect recording of stock issued for consulting services. The Company had issued certain shares during nine-month period ending September 30, 2001 and recorded at an anticipated fair value. The Company is now adjusting to record such shares at the average cash price of shares issued in the period ended September 30, 2001.

During the nine-month period September 30, 2001, the Company issued 7,005,321 shares of common stock for consulting services and compensation amounting $6,318,168. Included in the shares issued for services were 6,429,333 shares issued to a related party for consulting services of $ 5,851,000.

ADJUSTMENTS AT DECEMBER 31, 2001

The Company also recorded the debenture conversion provision of $125,000 in the three month period ended December 31, 2001.

The Company had recorded the decline in market value as a temporary loss in the statements of Operations for the year ended December 31, 2001. The Company now believes the decline in market value was other than temporary. Accordingly, a loss of $575,500 has been recognized as the realized loss in the Statements of Operations for the year ended December 31, 2001. In deciding the whether the loss was other than temporary, the Company considered the length of time and the extent to whether the market value has been less than cost, the financial condition of the issuer, change in market value of the security subsequent to the year end but prior to issuance of the financial statements:

The Company failed to record general and administrative expenses of $10,550.

The Company has restated its Statements of Operations by disclosing the loss from the operations of NTCB, disposed in 2002, as a separate line item in the Statement of Operations.

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The effect of the correction of all the errors is as follows:

	Year ended December 31, 2001 AS PREVIOUSLY REPORTED	AS RESTATED
STATEMENT OF SHAREHOLDERS' DEFICIT		
Accumulated deficit:	$ (9,277,077)	$ (14,235,009)
Additional paid-in capital	$ 7,388,776	$ 11,771,208
STATEMENT OF OPERATIONS (excluding NTCB operations):		
Miscellaneous general and administrative expenses	$ --	$ 10,550
Interest expense	$ 123,447	$ 303,447
Consulting expense	$ 2,126,286	$ 6,318,168
Realized loss on marketable securities	$ --	$ 575,500
Net loss	$ (7,434,926)	$ (12,392,858)
Basic and diluted loss per share	$ (0.56)	$ (0.93)

The net loss also includes interest expense of $303,447 for the year ended December 31, 2001 verses $50,197 for 2000. Total Other Income (expenses) were $(2,185,868) and $(77,245) (including write off of goodwill of $420,188 for 2001) for the years ended December 31, 2001 and 2000, respectively. The other loss included a loss of $820,000 on settlement of note receivable in 2001. The note was exchanged for 450,000 shares of the company's common stock. Although the common stock was trading at levels of $2 per share on the date of the tranaction, the value of the block trade given the liquidity of the stock for the company was valued at $80,000,

The Company incurred general, administrative and selling expenses of $7,093,656 for the year ended December 31, 2001 as compared to $822,222 for the year ended December 31, 2000. General, Administrative and Selling Expenses had a one time significant increase of $6,318,168 for consulting services paid in shares of common stock.

We had a Comprehensive Loss of $12,392,858 for the year-end December

31, 2001 as compared to a Comprehensive Loss of $2,181,323 for the year-end December 31, 2000. The Comprehensive Loss includes the Discontinued Operations loss of $3,111,734.

We have restated our Statement of Operations by disclosing the loss from the operations of NTCB, disposed in August 2002, separately. Therefore total revenues for the year ended December 31, 2001 and 2000 were $0.

Total cost of goods sold for the year December 31, 2001 and 2000 were $ 0.

(b) Liquidity and Capital Resources

As of December 31, 2001, the Company had cash and cash equivalents of $370,784 as compared to cash and cash equivalents of $ 519,865 as of December 31, 2000. At December 31, 2000, the Company had a working capital of $691,261 as compared to a working capital deficiency (total current liabilities in excess of current assets) of ($3,045,428) as of December 31, 2001. Net cash used in operating activities was $ 1,019,128 for year ended December 31, 2001 and $ 1,102,458 for the year ended December 31, 2000. Net cash from financing activities was $ 1,057,575 for year ended December 31, 2001, as compared to $ 1,991,768 for the year ended December 31, 2000.

The principal use of cash for the year ended December 31, 2001 was to payment of loans of $1,510,012. The Company raised a total of $ 1,255,583 from the issuance of common stock, net of stock issuance costs, loan from a private lender and the issuance of convertible debentures during the year ended December 31, 2001, and this was used to fund the net loss from operations.

Net cash used in investing activities was $187,528, compared with net cash used in investing activities was $372,314 for the year ended December 31, 2001 and 2000, respectively.

We have privately sold shares of common stock of the Company periodically pursuant to Regulation D, Rule 506, as amended, and Regulation S, as amended. In the twelve months ended December 31, 2001, the Company sold 797,374 shares for cash in the amount of $346,233 and the Company received subscription of $30,150 for 69,689 shares of common stock to be issued. The Company issued 6,985,321 shares of common stock for consulting services, which included 6,880,583 shares of common stock for consulting services and promotional services, which resulted in no proceeds. Of the 6,880,583 shares, 5,909,333 were issued to VLK Capital Corp., already a large shareholder in the Company. VLK subsequently disposed on 783,333 shares to Greg Mardock, an officer and director of the Company and disposed of 2,646,000 to Edward Fearon and 500.000 to Raymond Craig. The Company recorded value of shares issued to related party based upon market value of such large chunk of stock at one time and its restriction clause. The Company issued 20,000 shares of common stock for compensation amounting $91,800. The Company exchanged 27,273 shares of common stock for debt amounting $13,636. The exchange resulted in no gain or loses to the Company.

The Company issued 600,000 shares of common stock to Sierra Nevada Advisors, as collateral against a loan of $195,573. The Company has not recorded any value of such shares since the shares are issued as collateral and are returnable once the loan amount is fully paid.

ITEM 7. FINANCIAL STATEMENTS

The following financial statements are included herewith: our audited financial statements for the year ended December 31, 2000, and our audited financial statements for the year ended December 31, 2001.

INDEPENDENT AUDITORS' REPORT

To the Stockholders and Board of Directors
Flexxtech Corporation

We have audited the accompanying consolidated balance sheet of Flexxtech Corporation, a Nevada Corporation and subsidiaries (the "Company") as of December 31, 2001 and the related consolidated statements of operations, stockholders' deficit and cash flows for the years ended December 31, 2001 and 2000. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Flexxtech Corporation and subsidiaries as of December 31, 2001 and the results of its operations and its cash flows for the years ended December 31, 2001 and 2000 in conformity with accounting principles generally accepted in the United States of America.

The Company's consolidated financial statements are prepared using the generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has accumulated deficit of $14,235,009 including net losses of $12,392,858 and $1,814,953 for the years ended December 31, 2001 and 2000, respectively. The Company has a shareholders deficit of $2,416,423 on December 31, 2001. These factors as discussed in Note 4 to the consolidated financial statements, raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 4. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in Note 18, the 2001 financial statements have been restated.

/s/ Kabani & Company, Inc.

KABANI & COMPANY, INC.

CERTIFIED PUBLIC ACCOUNTANTS

Fountain Valley, California
March 14, 2002 except for note 19, as to which the date is November 14, 2002.

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FLEXXTECH CORPORATION
FORMERLY INFINITE TECHNOLOGY CORPORATION AND
COLOR STRATEGIES
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2001
(Restated)

ASSETS

Current Asset:	
Cash and cash equivalents	$ 370,784
Accounts receivable, net	581,377
Inventory	524,882
Prepaid expenses	13,280
Notes receivable - related parties	19,000
Deposits & other current assets	1,582
Total Current Asset	1,510,905
Property & equipment, net	1,508,205
TOTAL ASSETS	$ 3,019,110

LIABILITIES STOCKHOLDERS' DEFICIT

Current Liabilities:	
Accounts payable	$ 1,438,215
Accrued expenses	236,446
Loans payable - current	1,123,548
Loans payable related parties	1,758,124
Total Current Liabilities	4,556,333
Long-term Liabilities:	
Convertible debt	879,200
STOCKHOLDERS' DEFICIT	
Common stock, authorized 100,000,000 shares at $.001 par value, issued and outstanding 17,869,853 shares	17,228
Additional paid in capital	11,771,208
Shares to be issued	30,150
Accumulated deficit	(14,235,009)
Total Stockholders' Deficit	(2,416,423)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 3,019,110

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

FLEXXTECH CORPORATION
FORMERLY INFINITE TECHNOLOGY CORPORATION AND
COLOR STRATEGIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2001 & 2000
(Restated)

	2001	2000
Sales	$ --	$
Cost of sales	--	
Gross profit	--	
General and Administrative expenses	7,093,656	822,2
Loss from operations	(7,093,656)	(822,2
Other income (expenses)		
Impairment of goodwill	(420,188)	
Realized loss on sale of marketable securities	(75,708)	(53,3
Permanent loss on decline of value of marketable securities	(575,500)	
Other income (expense)	7,500	
Loss on settlement of note receivable	(820,000)	
Interest income	1,475	26,3
Interest expense	(303,447)	(50,1
Total other income (expenses)	(2,185,868)	(77,2
Loss from continuing operations before income taxes	(9,279,524)	(899,4
Provision of Income tax	1,600	1,6
Loss from continuing operations	(9,281,124)	(901,0
Discontinued operations:		
Loss from operations of subsidiary disposed in 2001 (Less applicable income taxes of $1600) (note 14)	(34,492)	(111,1
Loss from operations of subsidiary disposed in 2002, net (note 19)	(1,759,171)	(802,7
Loss on disposal of subsidiary in 2001, net (note 14)	(1,318,071)	
	(3,111,734)	(913,8
Net loss	# (12,392,858)	# (1,814,9

Other comprehensive loss:		
Unrealized loss on investments available for sale	--	(366,3
Comprehensive Loss	$(12,392,858	$ (2,181,3
Basic and diluted loss per share from continuing operations	$ (0.70)	$ (0.
Basic and diluted loss per share from discontinued operations	$ (0.23)	$ (0.
Basic and diluted loss per share	$ (0.93)	$ (0.
Basic and diluted weighted average shares outstanding	* 13,388,738	5,814,6

* The basic and diluted net loss per share has been restated to retroactively effect a 2:1 forward stock split on April 14, 2000, a 1:3 reverse split on April 29, 2000 and a 3:2 forward stock split at March 26, 2001.

Weighted average number of shares used to compute basic and diluted loss per share is the same since since the effect of dilutive securities is anti-dilutive.

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

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CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2001 & 2000
(Restated)

	Common Stock				
	Number of Shares	Amount	Additional paid-in capital	Shares to be issued	Accumu Def
Balance, January 1, 2000	2,668,417	2,669	$ 24,068	$ --	$ (
Issuance of Common stock for consulting services	100,672	100	385,572	--	
Issuance of Common stock for acquisition of subsidiaries	1,245,000	1,245	1,548,755	--	
Issuance of Common stock against debt settlement	90,000	90	59,910	--	
Issuance of Common stock for acquisition of marketable					

Securities	4,950,000	4,950	1,420,050	--	
Issuance of Common stock against a note receivable	750,000	750	1,249,250	--	
Issuance of shares for cash	1,170,797	1,171	1,690,068	--	
Unrealizable loss on marketable securities	--	--	--	--	
Net Loss for year ended December 31, 2000	--	--	--	--	(1,8
Balance, December 31, 2000	10,974,885	10,975	6,377,673	--	(1,8
Issuance of Common stock for consulting services	6,985,321	6,970	6,291,598	--	
Issuance of Common stock against debt settlement	27,273	27	13,609	--	
Issuance of Common stock to employees for compensation	20,000	20	19,580	--	
Issuance of shares for cash	797,374	770	345,463	--	
Cancellation of common stock acquired through disposal of subsidiaries and other assets (note 12)	(1,535,000)	(1,535)	(1,456,715)	--	
Issuance of shares as collateral for a loan	600,000	--	--	--	
Subscription received for 69,689 shares to be issued	--	--	--	30,150	
Beneficial conversion feature of debentures	--	--	180,000	--	
Unrealizable loss on marketable securities	--	--	--	--	
Permanent loss on decline of value of marketable securities	--	--	--	--	
Net Loss for year ended December 31, 2001	--	--	--	--	(12,3
Balance, December 31, 2001	17,869,853	17,228	$ 11,771,208	$ 30,150	$(14,2

The accompanying notes are an integral part of these consolidated financia

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FLEXXTECH CORPORATION
FORMERLY INFINITE TECHNOLOGY CORPORATION AND
COLOR STRATEGIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2001 & 2000
(Restated)

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$(12,392,858)	$ (1,814,953)
Adjustments to reconcile net loss to cash used in operating activities		
Depreciation and amortization	309,556	144,437
Amortization of goodwill	119,357	56,745
Impairment of goodwill	420,188	--
Issuance of stocks for consulting services & compensation	6,318,168	385,672
Loss on sale of marketable securities	75,708	53,398
Permanent loss on decline of value of marketable securities	575,500	
Beneficial conversion feature of debentures	180,000	
Loss on settlement of note receivable	820,000	--
Discontinued operations in 2001	1,352,563	--
(Increase) / decrease in current assets		
Accounts receivable	602,837	454,473
Insurance receivable	247,490	(247,490)
Inventory	(72,340)	383,639
Prepaid expense	(13,280)	--
Deposits & other current assets	20,545	(9,035)
Increase /(decrease) in current liabilities		
Accounts payable	217,490	(260,853)
Accrued expenses	187,083	(244,515)
Deferred Income Tax	10,559	--
Customers' deposit	2,306	(3,976)
NET CASH USED IN OPERATING ACTIVITIES FROM CONTINUED OPERATIONS	(1,019,128)	(1,102,458)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of marketable securities	--	(202,671)
Sale of marketable securities	197,456	48,485
Acquisition of property & equipment	(384,984)	(218,128)
NET CASH USED IN INVESTING ACTIVITIES	(187,528)	(372,314)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sales of common stock	346,233	1,691,239
Proceeds from shares to be issued	30,150	--
Proceeds from issuance of convertible debt	879,200	--
Payments on notes receivable	--	(152,524)
Repayment of notes receivable	8,880	--
Proceeds from borrowings	1,303,124	453,053
Payments of loans	(1,510,012)	--
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,057,575	1,991,768
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(149,081)	516,996

CASH AND CASH EQUIVALENTS -BEGINNING	519,865	2,869
CASH AND CASH EQUIVALENTS -ENDING	$ 370,784	$ 519,865

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

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1. DESCRIPTION OF BUSINESS AND SEGMENTS

The Company was organized on March 24, 1998, under the laws of the State of Nevada, as Color Strategies. On December 20, 1999, the Company changed its name to Infinite Technology Corporation. The Company changed its name to Flexxtech Corporation in April 2000.

Primavera Corporation (PC) was incorporated in the state of Texas on April 26, 2000. Pursuant to an acquisition agreement, dated May 11, 2000, PC acquired one hundred percent (100%) of the common shares outstanding of North Texas Circuit Board, Inc. (NTCB). NTCB was incorporated in 1978 in the state of Texas. NTCB manufactures printed circuit boards. The products are sold through its distribution center in Irving, Texas utilizing outside sales people. Deliveries are made primarily throughout the United States. In September 2002, the Company sold North Texas Circuit Board.

Flexxtech Holdings, Inc., a Nevada Corporation, was formed on October 1, 1999. Flexxtech Holdings, Inc. owns majority shares ownership of Primavera, the parent company of North Texas Circuit Board, Inc.

2. PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of Flexxtech Corporation (the "Parent"), and its 100% owned subsidiary, Flexxtech Holdings, Inc., collectively referred to as the "Company". Flexxtech Holdings, Inc.'s has a 100% owned subsidiary, Primavera Corporation (a Texas corporation). All significant inter-company accounts and transactions have been eliminated in consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Company considers all liquid investments with a maturity of three months or less from the date of purchase that are readily convertible into cash to be cash equivalents.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

In determining the allowance to be maintained, the management evaluates many factors including industry and historical loss experience. The allowance for doubtful accounts is maintained at an amount management deems adequate to cover estimated losses. The allowance for doubtful accounts at December 31, 2001 was $25,303 for trade receivables.

INVENTORY

Inventory is valued at the lower of cost or market value. Cost is determined using the first-in, first-out method. Inventory at December 31, 2001 consisted of:

Raw materials	$ 276,858
Work-in-process	224,545
Gold Tank	23,479
	$ 524,882

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MARKETABLE SECURITIES

The Company's securities are classified as available-for-sale and, as such, are carried at fair value. All of the securities comprised of shares of common stock of investee. Securities classified as available-for-sale may be sold in response to changes in interest rates, liquidity needs, and for other purposes. The Company does not currently have any held-to-maturity or trading securities.

Unrealized holding gains and losses for available-for-sale securities are excluded from earnings and reported as a separate component of stockholder's equity. Realized gains and losses for securities classified as available-for-sale are reported in earnings based upon the adjusted cost of the specific security sold. On December 31, 2001, the Company determined that the investment in marketable securities was at zero value based upon the fair value of the marketable securities on December 31, 2001. The Company determined the decline in value of the marketable securities was permanent and therefore, recorded realized loss on marketable securities amounting $575,500. Total accumulated unrealized loss on marketable securities amounted to $366,370 at December 31, 2000.

PROPERTY & EQUIPMENT

Property and equipment is carried at cost. Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the assets ranging from three to five years. Expenditures for maintenance and repairs are charged to expense as incurred.

GOODWILL

The Company continuously monitors its goodwill to determine whether any impairment of this asset has occurred. In making such determination with respect to goodwill, the Company evaluates the performance, on an undiscounted cash flow basis, of the underlying assets or group of assets that gave rise to this amount. Goodwill was being amortized on the straight-line basis over 15 years. As of December 31, 2001, goodwill was $420,188 after amortization of $119,357 for the year ended December 31, 2001.

On December 31, 2001, the Company re-evaluated value of each acquisition based upon performance and future cash flow. The Company estimated the total value of goodwill at December 31, 2001 at zero since NTCB was having losses through December 31, 2001 and did not have goodwill value associated with it. The Company wrote off entire net goodwill of $420,188 on December 31, 2001. The write off of goodwill has been shown as a separate line item in the Statements of Operations.

REVENUE RECOGNITION

The Company's revenue recognition policies are in compliance with Staff accounting bulletin (SAB) 101. All of the Company's revenue is from sale of Circuit Boards by NTCB. Revenue is recognized upon shipment, provided that evidence of an arrangement exists, title and risk of loss have passed to the customer, fees are fixed or determinable and collection of the related receivable is reasonably assured. Revenue is recorded net of estimated product returns, which is based upon the Company's return policy, sales agreements, management estimates of potential future product returns related to current period revenue, current economic trends, changes in customer composition and historical experience. The Company accrues for warranty costs, sales returns, and other allowances based on its experience. Generally, the Company extends credit to its customers and does not require collateral. The Company performs ongoing credit evaluations of its customers and historic credit losses have been within management's expectations. The Company provides a provision for bad debts based on its evaluation of receivables.

ADVERTISING

The Company expenses advertising costs as incurred.

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INCOME TAXES

Deferred income tax assets and liabilities are computed annually for differences between the financial statements and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted laws and rates applicable to the periods in which the differences are expected to affect taxable income (loss). Valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

BASIC AND DILUTED NET LOSS PER SHARE

Net loss per share is calculated in accordance with the Statement of financial accounting standards No. 128 (SFAS No. 128), "Earnings per share". SFAS No. 128 superseded Accounting Principles Board Opinion No.15 (APB 15). Net loss per share for all periods presented has been restated to reflect the adoption of SFAS No. 128. Basic net loss per share is based upon the weighted average number of common shares outstanding. Diluted net loss per share is based on 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 and warrants are assumed to be exercised at the beginning of the period (or at the 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.

STOCK-BASED COMPENSATION

In October 1995, the FASB issued SFAS No. 123, "Accounting for

Stock-Based Compensation". SFAS No. 123 prescribes accounting and reporting standards for all stock-based compensation plans, including employee stock options, restricted stock, employee stock purchase plans and stock appreciation rights. SFAS No. 123 requires compensation expense to be recorded (i) using the new fair value method or (ii) using the existing accounting rules prescribed by Accounting Principles Board Opinion No. 25, "Accounting for stock issued to employees" (APB 25) and related interpretations with pro forma disclosure of what net income and earnings per share would have been had the Company adopted the new fair value method. The company uses the intrinsic value method prescribed by APB25 and has opted for the disclosure provisions of SFAS No.123.

ISSUANCE OF SHARES FOR SERVICE

The Company accounts for the issuance of equity instruments to acquire goods and services based on the fair value of the goods and services or the fair value of the equity instrument at the time of issuance, whichever is more reliably measurable.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Statement of financial accounting standard No. 107, Disclosures about fair value of financial instruments, requires that the Company disclose estimated fair values of financial instruments. The carrying amounts reported in the statements of financial position for current assets and current liabilities qualifying as financial instruments are a reasonable estimate of fair value.

COMPREHENSIVE INCOME

Statement of financial accounting standards No. 130, Reporting comprehensive income (SFAS No. 130), establishes standards for reporting and display of comprehensive income, its components and accumulated balances. Comprehensive income is defined to include all changes in equity, except those resulting from investments by owners and distributions to owners. Among other disclosures, SFAS No. 130 requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in financial statements that are displayed with the same prominence as other financial statements. Accumulated other comprehensive income as reported in the accompanying consolidated balance sheet represents unrealized loss on available for sale securities.

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REPORTING SEGMENTS

Statement of financial accounting standards No. 131, Disclosures about segments of an enterprise and related information (SFAS No. 131), which superceded statement of financial accounting standards No. 14, Financial reporting for segments of a business enterprise, establishes standards for the way that public enterprises report information about operating segments in annual financial statements and requires reporting of selected information about operating segments in interim financial statements regarding products and services, geographic areas and major customers. SFAS No. 131 defines operating segments as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performances. The Company allocates resources and assesses the performance of its sales activities as one segment.

RISKS AND UNCERTAINTIES

In the normal course of business, the Company is subject to certain risks and uncertainties. The Company provides its product on unsecured credit to most of its customers, the majority of which are in the defense industry. Consequently, the Company's ability to collect the amounts due from customers is affected by the economic fluctuations in that industry.

RECLASSIFICATIONS

For comparative purposes, prior years' consolidated financial statements have been reclassified to conform with report classifications of the current year.

RECENT PRONOUNCEMENTS

On July 20, 2001, the FASB issued SFAS No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets." These statements make significant changes to the accounting for business combinations, goodwill, and intangible assets.

SFAS No. 141 establishes new standards for accounting and reporting requirements for business combinations and will require that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. Use of the pooling-of-interests method will be prohibited. This statement is effective for business combinations completed after June 30, 2001.

SFAS No. 142 establishes new standards for goodwill acquired in a business combination and eliminates amortization of goodwill and instead sets forth methods to periodically evaluate goodwill for impairment. Intangible assets with a determinable useful life will continue to be amortized over that period. This statement becomes effective January 1, 2002.

Management is in the process of evaluating the requirements of SFAS No. 141 and 142 and does not expect these pronouncements will materially impact the Company's financial position or results of operations.

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 143, "Accounting for Asset Retirement Obligations". SFAS 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. This Statement is effective for financial statements issued for fiscal years beginning after June 15, 2002.

SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," was issued in August 2001. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001, and addresses financial accounting and reporting for the impairment or disposal of long-lived assets. This statement supersedes SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," for the disposal of a segment of a business.

Management is in the process of evaluating the requirements of SFAS No. 143 and 144 but does not expect these pronouncements will materially impact the Company's financial position or results of operations.

In May 2002, the Board issued SFAS No. 145, Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections ("SFAS 145"). SFAS 145 rescinds the automatic treatment of gains or losses from extinguishments of debt as extraordinary unless they meet the criteria for extraordinary items as outlined in APB Opinion No. 30, Reporting the Results of Operations, Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions. SFAS 145 also requires sale-leaseback accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions and makes various technical corrections to existing pronouncements. The provisions of SFAS 145 related to the rescission of FASB Statement 4 are effective for fiscal years beginning after May 15, 2002, with early adoption encouraged. All other provisions of SFAS 145 are effective for transactions occurring after May 15, 2002, with early adoption encouraged.

In June 2002, the FASB issued SFAS No. 146 " Accounting for Costs Associated with exit or Disposal Activities." This Statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." This Statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Under Issue 94-3 a liability for an exit cost as defined, was recognized at the date of an entity's commitment to an exit plan.

The Company does not anticipate that adoption of SFAS No 145 and 146 will have a material effect on its earnings or financial position.

4. GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles which contemplate continuation of the Company as a going concern. However, the Company has accumulated deficit of $ 14,235,009 including net losses of $12,392,858 and $1,814,953 for the years ended December 31, 2001 and 2000, respectively. The continuing losses have adversely affected the liquidity of the Company. The Company faces continuing significant business risks, including but not limited to, its ability to maintain vendor and supplier relationships by making timely payments when due.

In view of the matters described in the preceding paragraph, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to raise additional capital, obtain financing and to succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Management has taken the following steps to revise its operating and financial requirements, which it believes are sufficient to provide the Company with the ability to continue as a going concern. Management devoted considerable effort during the period ended December 31, 2001, towards (i) obtaining additional equity financing through various private placements (ii) reduction of salaries and general and administrative expenses (iii) disposal of some of the non-profitable subsidiaries and (iv) evaluation of its distribution and marketing methods.

In that regard, the Company sold 797,374 shares for cash in the amount of $346,233 and the Company received subscription of $30,150 for 69,689 shares of common stock to be issued during the year ended December 31, 2001. The company also issued convertible debentures amounting $720,000, due in August 2003 and issued convertible promissory notes of $59,200 due on March 1, 2004 and $100,000 due on April 1, 2004 (note 12). The Company also disposed off three of its non-profitable subsidiaries during the year 2001 (note 14) and another subsidiary in 2002 (note 19).

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5. NOTES RECEIVABLE - RELATED PARTY

As of December 31, 2001, the Company has notes receivable from an officer of the Company, totaling $19,000. The notes bear interest rate of 10% per year, are unsecured and due on demand. Interest income from Note receivable from related parties, for the year ended December 31, 2001 and 2000, amounted to $1,000 and 26,350, respectively.

6. INVESTMENTS IN STOCK AVAILABLE FOR SALE

Following is a summary of investment securities classified as available for sale as on December 31, 2001:

	Cost Basis	Fair Value	Gross loss
Marketable equity securities-Common stock	$ 575,500	$ --	$ 575,500

The Company has recorded the decline in market value as other than temporary. Accordingly, a loss of $575,500 has been recognized as the realized loss in the Statements of Operations for the year ended December 31, 2001. In deciding the whether the loss was other than temporary, the Company considered the length of time and the extent to whether the market value has been less than cost, the financial condition of the issuer, change in market value of the security subsequent to the year end but prior to issuance of the financial statements.

7. PROPERTY AND EQUIPMENT

Property and equipment comprised of following on December 31, 2001:

Machinery and equipment	$ 2,484,020
Furniture & fixtures	121,030
Computer software	149,731
Transportation equipment	69,530
	2,824,311
Less Accumulated Depreciation	(1,316,106)
	$ 1,508,205

8. LOANS PAYABLE

The loans payable comprised of following as of December 31, 2001:

Lender	Terms	Amount
Note Payable	Due on demand unpaid balance plus interest at	$ 316,130

Comerica Bank	lower of Maximum rate defined as interest rate is subject to changes under various conditions maximum nonuserous rate of interest or prime rate plus 2%. The note and other debtness to the bank are secured by assets of NTCB.	
Revolving Line of credit Comerica Bank	Receivable line of credit, payable on demand, unpaid balance plus interest at lower of Maximum rate defined as maximum nonuserous rate of interest or prime rate plus 2%. The interest rate is subject to changes under various conditions. The note and other debtness to the bank are secured by assets of the Company. The note is personally guaranteed by the president of NTCB.	460,952
Note Payable BECO M-A, L.P	Note Payable to an affiliated company related through common officers at Primavera. Due on demand, unsecured and bears an interest rate of 9% per year. Total interest during the year amounted to $5,400.	63,975

Notes payable to Vendors at NTCB	Due by July 2001, bear interest rates ranging from 8% to 12% and secured by the assets of NTCB.	282,491
Convertible debentures	Due in 2003, secured by common stock of the Company and bear interest rates of 6% per annum (see note 12)	720,000
Convertible promissory notes	Due in 2004, secured by common stock of the Company and bear interest rates of 10% per annum (see note 12)	159,200
Notes payable to related parties	The notes are payable to related party through common major shareholders and officer of the Company, due on demand, bear interest rate ranging from 10% to 18% per year and secured by the assets of the Company. Interest paid during the year amounted to $88,344.	1,758,124
Total debt		3,760,872
Less: total current		2,881,672
Total-long term		$ 879,200

The current portion of long-term debt has been reflected in the balance sheet on December 31, 2001, as follows:

Loans payable - current	$ 1,123,548
Loans payable related parties - current	1,758,124
	$ 2,881,672

The current maturity of notes payable, including capital lease obligations, is as follows:

	Year Ended December 31.
2001	$ 2,881,672
2002	--
2003	720,000
2004	159,200
TOTAL	$ 3,760,872

9. LITIGATION

In April 2001, a suit was brought against the Company and certain officers and directors for alleged breach of contract. The Company has denied all the claims and believes it is a frivolous suit. The management of the Company plans to rigorously defend the Company. Management does not believe implication of this litigation will have any material impact on the Company's financial statements. Subsequent to the year ended December 31, 2001, the Company settled the litigation by agreeing to pay the plaintiffs a sum of $8,000, 82,500 shares of restricted common stock and 90,000 options to purchase common stock of the Company at $1.66 per share, with an expiration date of January 1, 2004.

In June 2002, a suit was brought against the Company for alleged breach of contract. The suit was brought by a Note Holder for the return of principal and interest of $100,000 plus 10% interest. The loan was made on April 11, 2001. The Company has not responded to the suit and is in negotiation with the Note Holder. The Company believes it is a frivolous suit. However, should a settlement not be reached, and the plaintiff is awarded a judgment, the judgment may have an adverse material impact on the Company and its financial statements.

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The Company may be involved in litigation, negotiation and settlement matters that may occur in the day-to-day operations of the Company and its subsidiary. Management does not believe implication of these litigations will have any other material impact on the Company's financial statements.

10. INCOME TAXES

No provision was made for Federal income tax since the Company has significant net operating loss carryforwards. Through December 31, 2001, the Company incurred net operating losses for tax purposes of approximately $12,300,000. The net operating loss carryforwards may be used to reduce taxable income through the year 2016. Net operating loss for carryforwards for the State of California are generally available to reduce taxable income through the year 2006. The availability of the Company's net operating loss carryforwards are subject to limitation if there is a 50% or more positive change in the ownership of the Company's stock. The provision for income taxes consists of the state minimum tax imposed on corporations.

Temporary differences which give rise to deferred tax assets and liabilities at December 31, 2001 comprised of depreciation and amortization and net operating loss carry forward. The gross deferred tax asset balance as of

December 31, 2001 was approximately $ 4,920,000. A 100% valuation allowance has been established against the deferred tax assets, as the utilization of the loss carrytforwards cannot reasonably be assured.

The following is a reconciliation of the provision for income taxes at the U.S. federal income tax rate to the income taxes reflected in the Consolidated Statements of Operations:

	December 31, 2001	December 31, 2000
Tax expense (credit) at statutory rate-federal	(34)%	(34)%
State tax expense net of federal tax	(6)	(6)
Permanent differences	1	1
Changes in valuation allowance	(39)	(39)
Tax expense at actual rate	--	--

11. COMMITMENT

Lease - NTCB leased its office and business facilities in Grand Prairie, Texas under a lease agreement for two years beginning May 2000 for $10,000 per month, with an option to renew the lease for three additional years at a rental rate of $12,500 per month. The Company had an option to purchase the property for $690,000 during the initial two-year rental term and for $750,000 during the 3-year renewal period. The Company disposed off NTCB in 2002 (note 19).

12. STOCKHOLDERS' EQUITY

STOCK SPLIT

On December 29, 2000, the Board of Directors of the Company declared a 13.09322865 to 1 forward stock split of the Company's common stock. The stockholders approved an increase in the authorized number of shares of common stock from 26 million to 100 million. On April 14, 2000, the Company effected a 2-for-1 forward stock split of its common stock. On April 29, 2000, the Company effected a reverse stock split of 1:3 and on March 26, 2001, the Company effected a 3:2 forward stock split. The financial statements have been retroactively restated for the effects of stock splits.

COMMON STOCK:

During the year ended December 31, 2001, the Company issued stocks at various times, as described per the following. The stocks were valued at the average fair market value of the freely trading shares of the Company as quoted on OTCBB on the date of issuance:

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Effective March 30, 2001, the Board of directors approved to cancel 750,000 shares of common stock issued to a related party, related through common share holder, in exchange of various notes receivable. The notes were receivable from a Corporation totaling $1,250,000. The notes, carried interest ranging from 8% to 12% per year, were secured and due on demand. The company returned the notes to the related party. There was no gain or loss on the return of note as the Company received the whole consideration paid within short period of time.

During the year, the Company disposed of two subsidiaries in exchange of 310,000 shares of common stock of the Company valued at $62,000. The Company exchanged a note receivable from a related party amounting $900,000 for 450,000 shares of the Company's common stock valued at $80,000, resulting in a loss of $820,000. The Company sold marketable securities to a related party for 25,000 shares of the Company's common stock valued at $66,250.

During the year, the Company cancelled 1,535,000 shares of common stock it had in its treasury.

During the year ended December 31, 2001, the Company exchanged 27,273 shares of common stock for debt amounting $13,636. The exchange resulted in no gain or loses to the Company.

During six-month period ending June 30, 2001, the Company issued 135,907 shares of common stock for cash amounting $132,716, 156,820 shares for services amounting $ 153,683 and 20,000 shares for compensation amounting $ 19,600. During the quarter ended September 30, 2001, the Company issued 40,996 shares of common stock for cash amounting $37,420 and 6,828,501 shares for services for $ 6,144,885 including 6,429,333 shares for consulting services to a related party for $ 5,851,000.

During the three-month period ending December 31, 2001, the Company issued 620,471 shares of common stock for cash amounting $176,097. The Company issued 600,000 shares of common stock to a related party, related by common major shareholders, as a collateral against the loan of $195,573. The Company has not recorded any value for such shares since the shares are issued as collateral and are returnable once the loan amount is fully paid.

CONVERTIBLE DEBENTURES:

The company issued debentures amounting $720,000, carrying an interest rate of 6% per annum, due in August 2003. The holders are entitled to, at any time or from time to time, convert the conversion amount into shares of common stock of the Company, par value $.001 per share at a conversion price for each share of common stock equal to the lower of (a) 120% of the losing bid price per share (as reported by Bloomberg, LP) on the closing date, and (b) 80% of the lowest closing bid price per share (as reported by Bloomberg, LP) of the Company's common stock for the five trading days immediately preceding the date of conversion. The Company recorded, in accordance with EITF 00-27 and 98-5, a beneficial conversion feature on the issuance of the convertible debentures amounting $180,000 reflected in the interest expense in the financial statement. The beneficial conversion feature represents the difference between the fair value of the shares and the discounted conversion price multiplied by the number of shares.

CONVERTIBLE PROMISSORY NOTES PAYABLE

The Company issued convertible promissory notes of $59,200 due on March 1, 2004 and $100,000 due on April 1, 2004, carrying an interest rate of 10% per annum. The holder of $59,200 promissory notes is entitled to convert the conversion amount into shares of common stock of the Company, par value $.001 at any time, per share at a conversion price for each share of common stock equal $4.66 per share of common stock. The notes are secured and collateralized by shares of common stock of the Company at one share per every three dollars and twenty-five cents ($3.35) of the principal. The holder of $100,000 promissory notes is entitled to convert the conversion amount into shares of common stock of the Company, par value $.001, at any time, per share at a conversion price for each share of common stock equal $7.00 per share of common stock. The notes are secured and collateralized by shares of common stock of the Company at one share per every five dollars ($5.00) of the principal.

STOCK OPTION PLAN

The Company has adopted a Stock option plan for the granting of options to employees, consultants and other providers of goods and services to the Company. The Company has set aside 1,000,000 shares of common stock under the plan. No option has been granted under the plan through December 31, 2001.

13. SUPPLEMENTAL DISCLOSURE OF CASH FLOWS

The Company prepares its statements of cash flows using the indirect method as defined under the Financial Accounting Standard No. 95.

The Company paid income taxes of $932 and interest of $133,680 during the year ended December 31, 2001. The Company paid income taxes of $3,614 and interest of $126,361 during the year ended December 31, 2000.

SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

The cash flow statements do not include following non-cash investing and financing activities:

(1) During the year, the Company disposed of two subsidiaries in exchange of 310,000 shares of common stock of the Company, resulting in a loss of $1,318,071. The cash flow statements do not include disposal of following assets and liabilities of the disposed companies:

Current assets	$	97,662
Non-current assets	$	101,074
Current liabilities	$	273,781

(2) The Company issued 6,985,321 shares of common stock for consulting services amounting $2,023,936, including 6,429,333 restricted shares for consulting services to a related party for $1,286,000.

(3) The Company exchanged a note receivable from a related party for 450,000 shares of the Company's common stock valued at $80,000, resulting in a loss of $820,000.

(4) On July 1st, 2001 the Company sold 100,000 shares of Easyriders, Inc. to a shareholder for 25,000 shares common stock of Flexxtech resulting in a realized loss of $23,750.

14. DISPOSAL OF SUBSIDIARIES AND INVESTMENTS

DISPOSAL IN THE PERIOD ENDED SEPTEMBER 30, 2001:

On July 1st, 2001, the Company sold two of its subsidiaries to its previous owners. Mardock, Inc. in exchange for 200,000 shares of its common stock and OpiTV.com for 110,000 shares of its common stock (including return of 60,000 shares by an officer of OpiTV). Mardock, Inc. was established in 1986 and was a designer, manufacturer, and distributor of apparel and promotional products to the corporate community. OpiTV.com, a Nevada Corporation, was formed on October 12, 1999. OpiTV.com was an I-Commerce technology company. Through June 30, 2001, OpiTV.com has not generated any revenue. The valuation of the 310,000 shares of common stock at $62,000 was based upon estimated fair value of the shares. The Company also, disposed off its subsidiary, Flexx Capital Partners (FCP). FCP, a Nevada Corporation, was formed on December 1, 2000. FCP did not have any operations during the years ended December 31, 2001 and 2000. The subsidiary was acquired for $5,000 and disposed off for zero amounts. The disposal of subsidiaries resulted in net loss of $1,318,071. Following is the summary of the transactions ((Dollars in thousands):

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	Mardock	OpiTV	Total
Investment	$600	$850	$1,450
Value of the Companies at disposal:			
Assets	196	2	198
Liabilities	(250)	(23)	(273)
Consideration received	(40)	(22)	(62)
Loss on disposal	$(506)	$(807)	(1,313)
Loss on disposal of Flexx Capital Partners			(5)
Total loss on disposal of subsidiaries			$(1,318)

Following is the results of the Subsidiaries disposed off in 2001:

MARDOCK:

	PERIOD ENDED DECEMBER 31, 2001 (Dollars in thousands)	PERIOD ENDED DECEMBER 31, 2000 (Dollars in thousands)
Revenue	$ 285	$ 455
Expenses:		
Costs of revenue	166	309
Operating expenses	146	202
Total expenses	312	511
Loss from discontinued operations	$ (27)	$ (56)

OPITV:

	PERIOD ENDED DECEMBER 31, 2001 (Dollars in thousands)	PERIOD ENDED DECEMBER 31, 2000 (Dollars in thousands)
Revenue	$ --	$ --
Expenses:		
Costs of revenue	--	--
Operating expenses	7	(55)
Total expenses	7	(55)
Loss from discontinued operations	$ (7)	$ (55)
TOTAL LOSS FROM OPERATIONS OF SUBSIDIARIES DISPOSED OFF IN 2001	$ (34)	$ (111)

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Flexx Capital Partners did not have any operation since its inception.

On July 1st, 2001, the Company exchanged a promissory note receivable it was holding for $900,000 from the major shareholder of the Company, for 450,000 shares of the Company's common stock. The valuation of shares at $80,000 was based on estimated fair value. The Company recorded the shares at its fair value. The exchange resulted in a loss to the Company of $820,000, which has been reflected as an extraordinary loss in the financial statements.

15. SEGMENT INFORMATION

The Company was a holding company (through a subsidiary) of two operating subsidiaries: North Texas Circuit Board, Inc. (a 100% subsidiary of Primavera, Inc.) and Mardock, Inc. North Texas Circuit Board, Inc. (NTCB) manufactures printed circuit boards. NTCB products are sold through its facility in Grand Prairie, Texas utilizing outside sales people. Deliveries are made primarily throughout the United States. Mardock was a designer, manufacturer, and distributor of apparel and promotional products to the corporate community. Substantially all of the Company's operations are domestic. The Company's foreign operations are not material to the Company's results of operations. The Company disposed off its subsidiary Mardock, Inc. in 2001 and NTCB in 2002. For the years ended December 31, 2001 and 2000, the Company only operated in one segment, therefore no segment information has been presented.

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16. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to credit risk consist principally of trade accounts receivable and temporary cash investments. The Company grants credit to customers throughout the country. The Company performs credit checks on all new customers, and generally requires no collateral from its customers.

17. BASIC AND DILUTED NET LOSS PER SHARE

Basic and diluted net loss per share for the year ended December 31, 2001 and 2000 were determined by dividing net loss for the periods by the weighted average number of both basic and diluted shares of common stock and common stock equivalents outstanding. Weighted average number of shares used to compute basic and diluted loss per share is the same since the effect of dilutive securities is antidilutive.

18. PRIOR PERIOD ADJUSTMENTS

ADJUSTMENTS AT SEPTEMBER 30, 2001:

Subsequent to the issuance of the Company's consolidated financial statements for the nine-month period ended September 30, 2001, the Company determined that certain transactions and presentation in the financial statements had not been accounted properly in the Company's financial statements. The Company's 2001 financial statements have been restated to correct errors as follows:

(1) The failure to record the debenture conversion provision of $55,000 in the three-month period ended September 30, 2001.

(2) Incorrect recording of stock issued for consulting services. The Company had issued certain shares during nine-month period ending September 30, 2001 and recorded at an anticipated fair value. The Company is now adjusting to record such shares at the average cash price of shares issued in the period ended September 30, 2001.

During the nine-month period September 30, 2001, the Company issued 7,005,321 shares of common stock for consulting services and compensation amounting $6,318,168. Included in the shares issued for services were 6,429,333 shares issued to a related party for consulting services of $ 5,851,000.

ADJUSTMENTS AT DECEMBER 31, 2001:

The Company also recorded the debenture conversion provision of $125,000 in the three month period ended December 31, 2001.

The Company had recorded the decline in market value as a temporary loss in the statements of Operations for the year ended December 31, 2001. The Company now believes the decline in market value was other than temporary. Accordingly, a loss of $575,500 has been recognized as the realized loss in the Statements of Operations for the year ended December 31, 2001. In deciding the whether the loss was other than temporary, the Company considered the length of time and the extent to whether the market value has been less than cost, the financial condition of the issuer, change in market value of the security subsequent to the year end but prior to issuance of the financial statements:

The Company failed to record general and administrative expenses of $10,550.

The Company has restated its Statements of Operations by disclosing the loss from the operations of NTCB, disposed in 2002 (note 19), as a separate line item in the Statement of Operations.

The effect of the correction of all the errors is as follows:

Year ended December 31, 2001	AS PREVIOUSLY REPORTED	AS RESTATED
STATEMENT OF SHAREHOLDERS' DEFICIT		
Accumulated deficit:	$ (9,277,077)	$ (14,235,009)
Additional paid-in capital	$ 7,388,776	$ 11,771,208
STATEMENT OF OPERATIONS (excluding NTCB operations):		
Miscellaneous general and administrative expenses	$ --	$ 10,550
Interest expense	$ 123,447	$ 303,447
Consulting expense	$ 2,126,286	$ 6,318,168
Realized loss on marketable securities	$ --	$ 575,500
Net loss	$ (7,434,926)	$ (12,392,858)
Basic and diluted loss per share	$ (0.56)	$ (0.93)

19. SUBSEQUENT EVENT

FILING AND WITHDRAWAL OF REGISTRATION STATEMENT:

The Company, under the Securities Act of 1933, as amended, filed Registration Statement on Form SB-2 with the U.S. Securities & Exchange Commission (SEC) on January 14, 2002 for common stock amounting $23,828,571 (based on the offering of 31,771,428 common shares at $0.75). On March 8, 2002, the Company applied to withdraw the Registration Statement on Form SB-2 This application for withdrawal was made on the grounds that the Company concluded the revisions requested by SEC as indicated in the comment letter dated February 15, 2002 were both material and extensive, and warranted a material redrafting of the prospectus in its entirety. The Company further advised SEC that no shares of common stock sought to be registered pursuant to the Registration Statement have been offered or sold.

DISPOSAL OF A SEGMENT IN THE PERIOD ENDED SEPTEMBER 30, 2002:

On September 2002, the Company sold North Texas Circuit Board. North Texas Circuit Board (NTCB), a Texas Company which was 100% owned by Primavera, a 100% owned subsidiary of Flexxtech Holdings, Inc. The Company owns 100% ownership of Flexxtech Holdings, Inc. NTCB manufactures printed circuit boards. Per the Share-purchase agreement between the Company and the purchaser (P), the following facts are related to the transaction:

NTCB executed certain promissory notes payable to a bank in Texas. The notes were secured by the assets and 100% of the outstanding shares of NTCB. In June 2002, the Company signed an agreement with a non-related party to borrow money on various promissory notes, payable in sixty days after the signing of the notes and bearing an interest rate of 7% per annum. The Notes were secured by the properties of NTCB. Total outstanding amount on such promissory notes amounted to $576,000 at June 30, 2002. Subsequent to June 30, 2002, NTCB borrowed additional amount on promissory notes amounting $1,122,188. In July 2002, "P" purchased all the right, title and interest of bank in the bank notes amounting $557,672. "P" also acquired security interest held by bank as collateral. At the date of the agreement, total sum of $2,255,860 was owed to "P" by NTCB. Since NTCB was in default in the payments of its obligations, "P" exercised its option under the notes and the security agreements. At the Closing of the transaction, Primavera sold all of the duly issued fully paid capital stock of NTCB in consideration of the amount equal to outstanding debt to "P". It was also, agreed between the parties that "P" will pay 10% of the after tax profit of NTCB to the Company for a period of five years subsequent to the consummation of the transaction. As further consideration to "P", the Company and its subsidiaries released "P" from all debts and obligations otherwise owed by NTCB to the Company. The disposal of NTCB resulted in a net gain of $327,012 to the Company as follows:

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Value of the NTCB at disposal:	(in 000)
Assets	$2,806
Liabilities	3,133
Consideration received	--
Gain on disposal	$ 327

Following is the results of the NTCB operations included in the loss from discontinued operations for all periods presented:

	YEAR ENDED DECEMBER 31, 2001	2000
	(Dollars in thousands)	
Revenue	$ 5,716	$ 4,071
Expenses:		
Costs of revenue	4,954	3,750
Operating expenses	2,521	1,124
Total expenses	7,475	4,874
Loss from operations of discontinued operations	$ (1,759)	$ (803)

ISSUANCE OF STOCK:

a) On October 7, 2002, 10,272,144 shares of common stock were issued in the name of Delaware Charter Guarantee and Trust, FBO Greg Mardock, the president of the Company, in exchange for a Promissory Note of $45,500 principal amount and interest of $5,860.72.

b) On October 8, 2002, Edward R. Fearon, former President of Primavera and Escamilla Capital Corporation, a related entity, received 1,250,000 and 1,750,000 shares respectively. These shares were issued in exchange for notes issued by Primavera Corporation to BECO M-A, L.P. and BECO Joint Venture No. 1 amounting $76,595.

c) On October 31, 2002, $2,000,000 in debt owed by the Company to Western Cottonwood Corporation, a related entity, was agreed to be converted to 200 shares of Series A Preferred Stock of the Company.

d) On November 5, 2002 Western Cottonwood Corp was issued 15,000,000 shares of common stock in exchange for $75,000 in Promissory Notes.

e) On October 1, 2002, the Company acquired 80% of the outstanding Common Shares of W3M, Inc. (dba "Paradigm Cabling Systems"), a privately held California corporation ("Paradigm"), in a stock for stock exchange. Pursuant to the terms of the acquisition, 80% of the outstanding capital stock of Paradigm was transferred to the Company on said date. In exchange, the Company agreed as soon as practical to issue 142.5 shares of a new Series A Convertible Preferred Stock of Flexxtech Corporation (hereinafter the "Series A Preferred"), to the exchanging shareholders of Paradigm.

Paradigm was incorporated in California in May of 1998, under its current corporate name, W3M, Inc. Paradigm is a full service computer cabling, networking and telecommunications integrator contractor, providing networks from stem to stern in house, for larger, medium and smaller industrial, educational and residential complexes.

The Series A Preferred is to be convertible, in whole or in part at the option of the holder, into shares of the Common Stock of the Company. Each one share of Series A Preferred is to be convertible into the number of shares of the Company's Common Stock obtained by dividing $10,000 by 85% of the average of the lowest three intra day bids for the Company's Common Stock on the primary exchange or public market in what the Company's Common Stock is listed, over the ten trading days immediately preceding the conversion date, and multiplying the result by 120%. Fractional common shares on conversion are rounded to the nearest whole share. The Series A Preferred is to have a liquidation preference equal to $15,000 per Series A share, after which each share will share on a pro rata basis with the Common Stock, based upon the number of shares into which the Series A Preferred would have been convertible on the date of liquidation, distribution of assets, dissolution or winding up. The Series A Preferred is to also have various other anti-dilution protections.

The Company at its sole discretion, has the option to redeem all or part of the Series A Preferred at a redemption price equal to the greater of $12,000 per share, or the market value of the Common Stock into which the Series A Preferred is convertible on the date of redemption.

Because the Company's Articles of Incorporation do not provide for Preferred Stock, before the Series A Preferred can be authorized and issued, the shareholders of the Company, by majority in capital interest, must adopt amendments to the company's Articles of Incorporation. In the event the Company has not obtained the necessary shareholder approvals amending its Articles to create the class of Series A Preferred Stock, and is unable to issue the required Series A Preferred shares and deliver the certificates evidencing said shares to the Paradigm exchanging shareholders by the close of business at 5 p.m. Pacific Standard Time, on January 31, 2003, then in such event the Paradigm exchanging shareholders' entitlement to Series A Preferred Shares converts automatically and without further action on their part, into a right to immediately receive in lieu of said Series A Preferred Stock, that number of shares of the Company's Common Stock to which the Paradigm exchanging shareholders would have been entitled had they been previously issued the Series A Preferred Stock, and then elected on January 31, 2003 to have all of their Series A Preferred Stock converted into the Company's Common Stock in accord with the above described Series A Preferred conversion provisions.

As part of the transaction, the Company agreed to use its best efforts to arrange in the future for an infusion of $250,000 in additional capital, either as debt or equity or some combination of both, to Paradigm, in order to increase its working capital.

In connection with the acquisition of Paradigm, one of the four existing vacancies on the Board of Directors of the Company was filled by the appointment on September 16, 2002, of the President of Paradigm to the Board of Directors of the Company to fill one of the existing Board vacancies.

ITEM 8: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were no changes in or disagreements with our independent accountants.

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT OFFICERS AND DIRECTORS

The names and ages of all of our directors and executive officers at December 31, 2001, along with their respective positions, term of office and period such position(s) was held, is as follows:

Name	Age	Position Held & Since (1)

Greg Mardock (1)	46	President, Chief Executive Officer and a Director.
Chris H. Beshlian	33	Secretary, Treasurer and Director.
Khanh Tran	36	Director.
David Pimentel	31	Director
Edward Fearon	56	Chairman, CEO and Director of NTCB (2) CEO and Director of Primavera Corporation
Linette Malloy	36	President and Director of NTCB
Hector Escamilla Jr.	45	CFO and Director of NTCB and President and Director of Primavera Corporation (2)

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(1) Each of the above individuals will serve in their respective capacities until the next annual meeting of the shareholders or until a successor is duly qualified and elected.

(2) North Texas Circuit Board is a wholly-owned subsidiary of Primavera Corporation. Primavera Corporation is a wholly-owned subsidiary of Flexxtech Holdings, Inc., a wholly-owned subsidiary of the Company.

BIOGRAPHICAL INFORMATION ON OFFICERS AND DIRECTORS

GREG MARDOCK, age 46, currently serves as President and CEO and has served as a Director of our Company since April 2000. Mr. Mardock also serves as the President and CEO of Mardock, Inc., a subsidiary of Flexxtech Holdings, Inc. Mardock, Inc. designs, manufactures, and distributes corporate promotional products. Mardock is developing its e-commerce site to become the premier corporate promotional company on the Internet. Mr. Mardock is also a Partner in Oregon.com, a state-wide portal providing information on the State of Oregon, and in Oregon Interactive, an e-commerce site designer and developer. He further serves as the President of Sterling Golf, Inc., a golf equipment distributor. From 1976 to 1986, Mr. Mardock served as Founder and President of Sports Graphics, Inc. and has designed and produced products for Nike's Sports Apparel Program, Speedo Swimwear, Guess Athletic, K Swiss Footwear, and Panasonic, among others.

CHRIS H. BESHLIAN, ESQ., age 33, currently serves as Secretary and Director of our Company. Mr. Beshlian is a practicing attorney in corporate law with offices in Los Angeles, California. From March 1998 to January 2000, Mr. Beshlian served as Secretary and Director of Pacific Sports Holdings, Inc., a publicly traded sports equipment and apparel holding company. Mr. Beshlian holds a law degree from Southwestern University School of Law and a BA degree in Economics from the University of California, Los Angeles.

KHANH TRAN, age 36, has served as a Director of our Company since April 2000. Since 1994, Mr. Tran has served as Chairman, President, CEO and founder of Chameleon Technology, Inc., a fiber channel design and development company, which was acquired by Applied Micro Circuits (NASDAQ: AMCC) in March 2000. Mr. Tran has lead design teams at Motorola, Boeing, Atmel, Applied Materials, Rockwell, LSI Logic and Western Digital. Mr. Tran has also served as

VicePresident of Design Engineering with California ASIC Technical Services, Inc. from May 1992 to November 1994. From 1988 to 1992, Mr. Tran served as a Design Manager for Lasarray Corporation. Mr. Tran holds a BS degree in Electrical Engineering from the University of California, Irvine and an MBA from California State University, Fullerton.

DAVID PIMENTEL, age 31, has served as a Director of our Company since April 2000. Mr. Pimentel currently serves as the Chief Information Officer for Absolute Internet Marketing, Inc. where his responsibilities include the design, installation and maintenance of networking infrastructure for multi-million dollar projects. From 1998 to 2000, Mr. Pimentel served as the Chief Information Officer, Secretary and Co-Founder of ivenue.com, a developer of a complete electronic commerce suite for management of online stores utilizing a web browsers. From June 1997 to January 1999 Mr. Pimentel served as the Chief Information Officer and Partner of Top Level Design, Inc. Mr. Pimentel served as a network manager and systems analyst for the University of Southern California from 1994 through 1998 and also served as a PC/LAN Analyst for the Walt Disney Company from 1995 through 1997. Mr. Pimentel studied Computer Science at the University of Southern California.

EDWARD FEARON, age 56 currently serves as the CEO and Director of the Company's subsidiary, Primavera Corporation and Chairman and CEO of North Texas Circuit Board Company. Mr. Fearon, a physicist, filed his first United States patent application in 1966 and for a period of more than thirty years has been engaged in the research, development and invention of devices in the Electronics Article Surveillance and other industries. He holds many United States and foreign patents. Mr. Fearon is regarded as one of the founders of the Electronic Article Surveillance field. His patents in the EAS field were licensed to 3M and Sensormatic and are for surveillance of books, audio and videotapes, clothing

and other merchandise. In 1966, Mr. Fearon served with ElectroChemical Laboratories in Tulsa, Oklahoma where he was Vice President of R & D. Their principal business related to the Oil Industry and Defense. In 1969 Mr. Fearon joined Standard Engineering & Manufacturing Co. (SEMCO) as Vice President of R&D. Their principal business was Electronic Article Surveillance. In 1971, Mr. Fearon founded and served as President of SD&E, Inc. dba Systems Development & Engineering. The principal business of SD&E related to the Oil Industry, EAS and Defense. He managed SD&E until 1986. In 1973, he became the managing partner of Martin Wholesale, Inc. (MWI). MWI was a national distributor for Sony, Panasonic, Sharp, Hitachi and other commercial lines. In 1988 Mr. Fearon served as Chairman of the Board and Chief Executive Officer of EAS Technologies, Inc., a public company, and served as director of Canyon Creek National Bank (CCNB) and a member of the CCNB loan and discount committee. Mr. Fearon founded Computer Crossroads of America, Inc., (CCA) in 1979. He was President and majority shareholder from 1979-1995. CCA was a designer, integrator and manufacturer of defense related computer equipment. Mr. Fearon founded Critical Solutions International, Inc. (CSI) in 1999 and serves CSI as Chairman of the Board and Chief Executive Officer. CSI is a defense contractor with a concentration in countermine technologies.

LINETTE MALLOY, age 36 serves as President and Director of NTCB. In June 2001 Ms. Malloy was appointed as President of NTCB. During the past two and half years with NTCB, Ms. Malloy at various stages served as Vice President / General Manager, Quality Manager, and Engineering Manager. From 1984 to 1998, Ms. Malloy served as General Manager of Mania Testerion Texas. Mania Testerion manufactures electrical test equipment and provides electrical test services for the printed circuit board manufacturing industry.

HECTOR ESCAMILLA JR., age 45 is Chief Financial Officer and Director of North Texas Circuit Board Co., and President and Director of Primavera Corporation. Mr. Escamilla attended Southern Methodist University and graduated summa cum laude with a Bachelors of Business Administration degree in 1977. He became a Certified Public Accountant in 1980. Mr. Escamilla began his career in 1977 as a Staff Accountant in the Dallas office of Price Waterhouse & Co., a large international accounting firm, and was promoted to Senior Accountant in 1980. He left PW in January, 1981 to become Controller/Tax Manager for a company owned by the Lay family of Dallas and eventually became the Chief Financial Officer for various Lay family entities. His responsibilities included all aspects of financial management, tax planning and compliance, as well as negotiation of business and investment transactions in the U.S. and Mexico. In 1991, he formed Escamilla Capital Group to provide business, financial and tax consulting services to individuals, trusts and closely held companies doing business in the U.S. and Mexico. Mr. Escamilla is very active in civic affairs in Dallas. He currently serves on the Board of Directors of the Dallas Museum of Art (where he chairs the Budget and Finance Committee), Children's Health Services of Texas, and YMCA of Metropolitan Dallas. Texas Governor George W. Bush recently appointed Mr. Escamilla to serve on the Board of Directors of the Trinity River Authority of Texas. Mr. Escamilla served on the Board of Directors of the Greater Dallas Hispanic Chamber of Commerce from 1989 through 1996, and was elected Chairman of the Board for the 93/94 year. Mr. Escamilla is fluent in Spanish and English.

Our Company does not presently maintain key man life insurance coverage with respect to any of its officers, directors, or key employees; however, we intend to investigate the addition of key man life insurance in the future. There is no assurance we will be able to obtain it.

FAMILY RELATIONSHIPS

There are no family relationships among our directors and/or executive officers.

INVOLVEMENT IN OTHER PUBLIC COMPANIES

None of our directors are involved in other public companies that would be described as "reporting" companies.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

Except as indicated herein, to the knowledge of our management, during the past five years, no present or former director, executive officer, or person nominated to become a director or executive officer of our Company:

(1) Filed a petition under federal bankruptcy laws or any state insolvency law, nor had a receiver, fiscal agent or similar officer appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

(2) Was convicted in a criminal proceeding or named subject of a pending criminal proceeding (excluding traffic violations and other minor offences);

(3) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him or her from or otherwise limiting his/her involvement in any type of business, securities or banking activities;

(4) Was found by a court of competent jurisdiction in a civil action, by the Securities and Exchange Commission or the Commodity Futures Trading Commission, to have violated any federal or state securities law, and the judgment in such civil action or finding by the Securities and Exchange Commission has not been subsequently reversed, suspended, or vacated.

COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

Based solely on the review of Form 3's furnished to us, to the best knowledge of our management, each of our officers/directors and 10% shareholders has filed their Initial Statement of Beneficial Ownership on Form 3, although the same were filed on a delinquent basis.

PART III

ITEM 10. EXECUTIVE COMPENSATION

The following table sets forth certain information as to compensation received by our Chief Executive Officer who is also a director of our Company and our President and Secretary, as of December 31, 2001.

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SUMMARY COMPENSATION TABLE

		Annual Compensation			Long Term Compens		
					Awards		
Name and Principal Position	Year	Salary($)	Bonus($)	Annual Compensation ($)	Restricted Award(s) ($)	Securities Underlying Options/ SARs(#)	LTIP Payout ($)
Greg Mardock(1) CEO, Director	2001	12,000	-0-	-0-	-0-(1)	-0-	-0-
Chris H. Beshlian Secretary, Treasurer and a Director	2001	-0-	-0-	-0-	-0-	-0-	-0-
Khan Tran Director	2001	-0-	-0-	-0-	-0-	-0-	-0-
David Pimentel Director	2001	-0-	-0-	-0-	-0-	-0-	-0-
Linette Malloy(2) President (NTCB)	2001	85,000	-0-	-0-	-2,000-	-0-	-0-
Edward Fearon	2001	30,000	-0-	-0-	-0-(1)	-0-	-0-

CEO (NTCB)							
Hector Escamilla, Jr. CEO (Primavera)	2001	-0-	-0-	-0-	-0-	-0-	-0-

(1) Mr. Mardock received compensation from Mardock, Inc., a subsidiary of our wholly-owned subsidiary, Flexxtech Holdings, Inc. VLK Capital Corp. was issued 5,909,333 shares of common stock for managerial services valued at $.902 per share, as amended for the 18 month period from January 2001 through June 2002. VLK subsequently issued 783,333 shares to Greg Mardock and 2,646,000 shares to Edward Fearon..

(2) Linette Malloy received compensation from North Texas Circuit Board Co., a wholly-owned subsidiary of Primavera Corp., a wholly-owned subsidiary of Flexxtech Holdings, Inc., a wholly-owned subsidiary of the Company. (3) Edward Fearon received compensation from North Texas Circuit Board Co of $30,000.

OPTIONS/SAR GRANTS

There were no stock options or stock appreciation rights granted to any executive officer since its inception through present date.

AGGREGATED OPTION/SAR EXERCISES AND FISCAL YEAR END OPTION/SAR VALUE TABLE

Not applicable.

LONG TERM INCENTIVE PLANS

There are no long-term incentive plans in effect and therefore no awards have been given to any executive officer in the past year.

COMPENSATION OF DIRECTORS

We pay no fees to members of our Board of Directors for the performance of their duties as directors. The Board of Directors also serves as an Audit Committee. We have not established other separate committees of the Board of Directors.

EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT AND CHANGE IN CONTROL ARRANGEMENTS

We have no employment contracts in effect with any of the members of our Board of Directors or our executive officers nor are there any agreements or understandings with such persons regarding termination of employment or change-in-control arrangements.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of December 31, 2001, the amount and nature of beneficial ownership of each person known to a beneficial owner of more than five percent of the issued and outstanding shares of our Company. The following information is based on 17,869,853 shares issued and outstanding as of December 31, 2001.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

Title of Class	(1) Name and Address of Beneficial Owner	(2) Amount and Nature of Beneficial Owner	(3) Percent of Class
Common	VLK Capital Corp. (1) 3620 NW Westside Road McMinnville, OR 97128	6,025,000	33.72%
Common	Gregport Land and Investment (2) 3620 NW Westside Road McMinnville, OR 97128	650,000	3.64%
Common	Greg Mardock (1) (2) 3620 NW Westside Road McMinnville, OR 97128	783,333	4.38%
Common	Edward Fearon 14908 Havenshire Place Dallas, TX 75250	2,729,250	15.27%

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(1) Greg Mardock is a shareholder, officer and director of VLK Capital Corp.

(2) Greg Mardock is a shareholder, officer and director of Gregport Land and Investment. The shares are owned by Gregport Land and Investment.

The following table sets forth the amount and nature of beneficial ownership of each of the executive officers and directors of our Company. The information below is based on 17,869,853 shares issued and outstanding as of December 31, 2001.

SECURITY OWNERSHIP OF MANAGEMENT

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
Common	Edward Fearon 14908 Havenshire Place Dallas, TX 75250	2,729,250	15.27%
Common	Greg Mardock (1) 3620 NW Westside Road McMinnville, OR 97128	7,458,333	41.74%
Common	Hector Escamilla Jr. 5956 Sherry Lane, Suite 1616 Dallas, TX 75225	63,750	<1%
Common	Linette Malloy 1501 W. Shady Grove Grand Prairie, TX 75050	10,000	<1%
Officers & Directors as a group		10,261,333 shares	57.42%

Greg Mardock is a shareholder, officer and director of Gregport Land and Investment and VLK Capital Corp. The shares are owned by Gregport Land and Investment and VLK Capital Corp.

CHANGES IN CONTROL

We have no arrangements at this time, which might result in a change in control of our Company. However future acquisitions may result in the issuance of additional shares of our stock, which may result in a change of control.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

(a) On July 9, 2001, the Company canceled and returned a promissory note receivable it was holding for $900,000 payable by VLK Capital, a major shareholder of the Company, in exchange for VLK Capital's return to the Company and its cancellation and return to treasury of 450,000 shares of the Company's common stock. At the time of the transaction the common stock was trading near $2 per share with an illiquid market. The exchange resulted in a loss to the Company of $820,000, which has been reflected as an extraordinary loss in the financial statements.

(b) On July 1, 2001 the Company sold 100,000 shares of Easyriders, Inc. to Sierra Nevada Advisers, Inc., a shareholder of Flexxtech, in consideration for the return to the Company and its cancellation and return to treasury of 25,000 shares of the common stock of Flexxtech.

(c) In July of 2001 Flexxtech Holdings, Inc., sold Mardock, Inc. back to its original owner Greg Mardock, the CEO and a Director of Flexxtech, in exchange for his agreement to assume the liabilities of Mardock Inc. and the transfer by Greg Mardock to Flexxtech of 200,000 shares of Flexxtech Common Stock, which was valued at $3.00 per share and retired as treasury stock. Mardock, Inc. subsequently ceased operations and went out of business.

(d) In July of 2001, Flexxtech Holdings, Inc., sold its 82% ownership interest in OpiTV.com. to Mardock, Flexxtech's CEO and a Director, in exchange for Greg Mardock's agreement to assume the liabilities of OpiTV and the transfer by Greg Mardock to Flexxtech of 110,000 shares of Flexxtech's Common Stock, which was retired as treasury stock. OpiTV.com was a start-up company with no sales or operations. OpiTV.com had a negative net worth.

ITEM 13. EXHIBITS AND REPORTS ON 8-K

(a) Exhibits

None will be filed with this report.

SIGNATURES

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

Registrant:
FLEXXTECH CORPORATION

By: /s/ Greg Mardock
Greg Mardock
President and Chairman of
the Board of Directors

Date: December 30, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Capacity in Which Signed	Date
/s/ Greg Mardock Greg Mardock	President and Chief Executive Officer and a Director	December 30, 2002