

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

PROHEALTH MEDICAL TECHNOLOGIES INC
Form 10KSB
January 15, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-KSB

(Mark one)

XX ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
----- OF 1934

For the annual period ended December 31, 2001

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

For the transition period from _____ to _____

Commission File Number: 2-90519

ProHealth Medical Technologies, Inc.
(Exact name of small business issuer as specified in its charter)

Nevada

59-2262718

(State of incorporation)

(IRS Employer ID Number)

211 West Wall Street, Midland, TX 70701-4556
(Address of principal executive offices)

(915) 682-1761
(Issuer's telephone number)

Securities registered under Section 12 (b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act: Common Stock
\$0.0001 par value

Check whether the issuer has (1) filed all reports required to be files by
Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such
shorter period the Company 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, and no disclosure will be contained, to
the best of Company's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-KSB or any amendment to
this Form 10-KSB. []

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

The issuer's revenues for the fiscal year ended December 31, 2000 were \$0.

The aggregate market value of voting common equity held by non-affiliates as of December 31, 2001 was approximately \$2,174, using the closing historical price of \$0.03 per share as quoted on www.edreyfus.com

As of January 8, 2002, there were 10,145,640 shares of Common Stock issued and outstanding.

Transitional Small Business Disclosure Format : Yes No X
 --- ---

1

PROHEALTH MEDICAL TECHNOLOGIES, INC.

TABLE OF CONTENTS

	Page Number -----
Part I	
Item 1 - Description of Business	3
Item 2 - Description of Property	4
Item 3 - Legal Proceedings	4
Item 4 - Submission of Matters to a Vote of Security Holders	4
Part II	
Item 5 - Market for Company's Common Stock and Related Stockholders Matters	5
Item 6 - Management's Discussion and Analysis or Plan of Operation	6
Item 7 - Index to Financial Statements	F-1
Item 8 - Changes in and Disagreements with Accountants on Accounting and Financial Disclosures	6
Part III	
Item 9 - Officers and Directors	6
Item 10 - Executive Compensation	7
Item 11 - Security Ownership of Certain Beneficial Owners And Management	7
Item 12 - Certain Relationships and Related Transactions	8
Item 13 - Exhibits and Reports on 8-K	9
Signatures	10

2

Caution Regarding Forward-Looking Information

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

Certain statements contained in this quarterly filing, including, without limitation, statements containing the words "believes", "anticipates", "expects" and words of similar import, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such factors include, among others, the following: international, national and local general economic and market conditions; demographic changes; the ability of the Company to sustain, manage or forecast its growth; the ability of the Company to successfully make and integrate acquisitions; raw material costs and availability; new product development and introduction; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; the loss of significant customers or suppliers; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the ability to protect technology; and other factors referenced in this and previous filings.

Given these uncertainties, readers of this Form 10-KSB and investors are cautioned not to place undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

PART I

Item 1 - Description of Business

General

ProHealth Medical Technologies, Inc. (ProHealth or Company), originally named Datalink Systems, Inc. (Datalink), filed a Registration Statement under The Securities Act of 1933 on Form S-1 with the U. S. Securities and Exchange Commission for a public offering of its equity securities. The offering became effective on July 29, 1985 and was completed October 29, 1985. The offering raised an aggregate of \$300,000 from the sale of 3,000,000 shares of common stock at \$.10 per share.

The Company was engaged in the business of providing electronic information processing services to the medical/health care industry. This venture was not successful and management attempted to redirect the focus of the company through merger with a viable private entity. Several Letters of Intent were signed but later abandoned by all parties.

The corporate name was changed in April 29, 1987 to Datalink Capital Corporation and the capital restated to 100,000,000 shares of \$.0001 par value common stock.

The corporate charter was revoked on November 4, 1988 by the State of Florida for failure to file required documents and pay associated fees.

A change in control of the majority stockholder resulted in a change in control of the Company and the company's charter was reestablished on December 5, 1990. The new management was unable to complete a merger with a private entity or recapitalize the company and the company remained dormant. On April 26, 1991 the corporate name was changed to Midland Capital Resources, Inc.

The corporate charter was revoked again on October 9, 1992 by the State of

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

Florida for failure to file required documents and pay associated fees. On July 30, 1997, the charter was reinstated by the State of Florida and on September 24, 1997 the name was changed to Datalink Capital Corporation.

3

On May 1, 1997 a stock purchase agreement was entered into between the then majority stockholder and Glenn A. Little. In March 1998, this agreement was renegotiated and effective control of the company was obtained by Mr. Little by the purchase of 37.4% of the outstanding shares.

Effective December 29, 1998 the Company changed its state of incorporation from Florida to Nevada, pursuant to a change-of-state-of-incorporation merger. In the merger transaction, the Company's name was changed from "DataLink Capital Corporation" to "DCC Acquisition Corporation".

On June 8, 1999, in a Current Report on Form 8-K, the Company announced its acquisition of all of the issued and outstanding common shares of New Cinema Partners Inc. (NCP) in consideration of and in exchange for common stock of the Company issued from treasury (Acquisition Transaction), which transaction constituted a change in control of the Company.

On August 15, 1999, the Company filed a Current Report on Form 8-K reporting that the June 8, 1999 Form 8-K announcement of the Acquisition Transaction and the filing of the June 8, 1999 Form 8-K Current Report in respect thereof was premature. The Acquisition Transaction had not been, and will not be, consummated. The Board of Directors of the Company did not approve, authorize or ratify the Acquisition Transaction. Due to mis-communication between representatives of NCP and its shareholders and the agent for the Company, NCP and its shareholders were of the view that all requisite approvals and authorizations in respect of the Acquisition Transaction had been obtained and all other conditions precedent to the completion of the Acquisition Transaction satisfied and, accordingly, the June 8, 1999 Current Report on Form 8-K was filed in accordance with applicable law.

The Company continued its efforts to locate and combine with an existing, privately-held company that is profitable or, in management's view, has growth potential, irrespective of the industry in which it is engaged.

On November 17, 1999, in the Quarterly Report on Form 10-QSB for the quarter ended September 30, 1999, the Company announced that on November 1, 1999, the Company experienced a change in control and acquired a majority of the shares of stock of two corporations, ProHealth Laboratories, Inc (ProHealth) and STL Group, Inc. (STL) in exchange for shares of the Company's common stock. Although discussed in the November 17, 1999 Form 10-QSB filing, the Company never filed any required Current Report on Form 8-K which contained more detailed information about the terms of the acquisitions of ProHealth and STL and their business and financial information.

On January 11, 2001, the Company filed a Current Report on Form 8-K announcing that the two Agreements and Plans of Reorganization (Agreements) disclosed and discussed in the November 17, 1999 Form 10-QSB filing never closed and prematurely announced as such.

In anticipation of the closing of these transaction and in accordance with the Agreements, the Company convened a Board of Directors Meeting on October 22, 1999 and changed the name from DCC Acquisition Corp to ProHealth Medical Technologies, Inc. and approved and enacted a 1:10 reverse split of its Common Stock, \$0.0001 par value, with fractional shares rounded up to the nearest whole share. All share and per share amounts in this filing reflect the effect of the

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

reverse split as of the first day of the first period presented.

As a result of each of the private entity's inability to fulfill its obligations under each Agreement with the Company, the closing of the acquisitions has never taken place as planned and announced.

In January 2001, Glenn A. Little and Matthew Blair, the former officers and directors of the Company, reached an agreement with the parties to the Agreements to recognize the failure of the merger and agreed to return as Management of the Company. All books and records were returned to the former management of the Company and the various companies and parties to the Agreements mutually released and discharged each other with regard to the failed transaction.

4

Pursuant to the rescission agreement, any and all shares which may have been issued pursuant to the Agreements were rescinded and returned to the Company's treasury, and the Company appointed Glenn A. Little as President and Director and Matthew Blair as Secretary and Director.

The Company intends to comply with the periodical reporting requirements of the Securities Exchange Act of 1934 and to seek to complete a business acquisition transaction.

The Company may be referred to as a shell corporation and once trading on the NASD Bulletin Board, a trading and reporting shell corporation. Shell corporations have zero or nominal assets and typically no stated or contingent liabilities. Private companies wishing to become publicly trading may wish to merge with a shell (a reverse merger) whereby the shareholders of the private Company become the majority of the shareholders of the combined Company. The private Company may purchase for cash all or a portion of the common share of the shell corporation from its major stockholders. Typically, the Board and officers of the private Company become the new Board and officers of the combined Company and often the name of the private Company becomes the name of the combined Company.

The Company has very limited capital, and it is unlikely that the Company will be able to take advantage of more than one such business opportunity. The Company intends to seek opportunities demonstrating the potential of long-term growth as opposed to short-term earnings. At the present time, the Company has not identified any business opportunity that it plans to pursue, nor has the Company reached any agreement or definitive understanding with any person concerning an acquisition.

Proposed Business

The Company intends to locate and combine with an existing, privately-held company which is profitable or, in management's view, has growth potential, irrespective of the industry in which it is engaged. However, the Company does not intend to combine with a private company which may be deemed to be an investment company subject to the Investment Company Act of 1940. A combination may be structured as a merger, consolidation, exchange of the Company's common stock for stock or assets or any other form which will result in the combined enterprise's becoming a publicly-held corporation.

It is anticipated that the Company's officers and directors will contact broker-dealers and other persons with whom they are acquainted who are involved with corporate finance matters to advise them of the Company's existence and to

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

determine if any companies or businesses that they represent have a general interest in considering a merger or acquisition with a blind pool or blank check or shell entity. No assurance can be given that the Company will be successful in finding or acquiring a desirable business opportunity, given the limited funds that are expected to be available for acquisitions. Furthermore, no assurance can be given that any acquisition, which does occur, will be on terms that are favorable to the Company or its current stockholders.

The Company's search will be directed toward small and medium-sized enterprises, which have a desire to become public corporations. In addition these enterprises may wish to satisfy, either currently or in the reasonably near future, the minimum tangible asset requirement in order to qualify shares for trading on NASDAQ or on an exchange such as the American Stock Exchange. The Company anticipates that the business opportunities presented to it will (i) either be in the process of formation, or be recently organized with limited operating history or a history of losses attributable to under-capitalization or other factors; (ii) experiencing financial or operating difficulties; (iii) be in need of funds to develop new products or services or to expand into a new market, or have plans for rapid expansion through acquisition of competing businesses; (iv) or other similar characteristics. The Company intends to concentrate its acquisition efforts on properties or businesses that it believes to be undervalued or that it believes may realize a substantial benefit from being publicly owned. Given the above factors, investors should expect that any acquisition candidate may have little or no operating history, or a history of losses or low profitability.

The Company does not propose to restrict its search for investment opportunities to any particular geographical area or industry, and may, therefore, engage in essentially any business, to the extent of its limited resources. This included industries such as service, finance, natural resources, manufacturing, high technology, product development, medical, communications and others. The

5

Company's discretion in the selection of business opportunities is unrestricted, subject to the availability of such opportunities, economic conditions, and other factors.

Any entity, which has an interest in being acquired by, or merging into the Company, is expected to be an entity that desires to become a public Company and establish a public trading market for its securities. In connection with such a merger or acquisition, it is highly likely that an amount of stock constituting control of the Company would either be issued by the Company or be purchased from the current principal stockholders of the Company by the acquiring entity or its affiliates. If stock is purchased from the current principal stockholders, the transaction is very likely to be a private transaction rather than a public distribution of securities, but is also likely to result in substantial gains to the current principal stockholders relative to their purchase price for such stock. In the Company's judgment, none of the officers and directors would thereby become an underwriter within the meaning of the Section 2(11) of the Securities Act of 1933, as amended as long as the transaction is a private transaction rather than a public distribution of securities. The sale of a controlling interest by certain principal shareholders of the Company would occur at a time when minority stockholders are unable to sell their shares because of the lack of a public market for such shares.

Depending upon the nature of the transaction, the current officers and directors of the Company may resign their management and board positions with the Company in connection with a change of control or acquisition of a business opportunity. In the event of such a resignation, the Company's current management would

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

thereafter have no control over the conduct of the Company's business.

It is anticipated that business opportunities will come to the Company's attention from various sources, including its officers and directors, its other stockholders, professional advisors such as attorneys and accountants, securities broker-dealers, venture capitalists, members of the financial community, and others who may present unsolicited proposals. The Company has no plans, understandings, agreements, or commitments with any individual for such person to act as a finder of opportunities for the Company.

Pending negotiation and consummation of a combination, the Company anticipates that it will have, aside from carrying on its search for a combination partner, no business activities, and, thus, will have no source of revenue. Should the Company incur any significant liabilities prior to a combination with a private company, it may not be able to satisfy such liabilities as are incurred.

If the Company's management pursues one or more combination opportunities beyond the preliminary negotiations stage and those negotiations are subsequently terminated, it is foreseeable that such efforts will exhaust the Company's ability to continue to seek such combination opportunities before any successful combination can be consummated. In that event, the Company's common stock will become worthless and holders of the Company's common stock will receive a nominal distribution, if any, upon the Company's liquidation and dissolution.

Combination Suitability Standards

The Company does not foresee that it will enter into a merger or acquisition transaction with any business with which its officers or directors are currently affiliated. Should the Company determine in the future, contrary to the forgoing expectations, that a transaction with an affiliate would be in the best interests of the Company and its stockholders, the Company is, in general, permitted by Nevada law to enter into a transaction if:

The material facts as to the relationship or interest of the affiliate and as to the contract or transaction are disclosed or are known to the Board of Directors, and the Board in good faith authorizes, approves or ratifies the contract or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors constitute less than a quorum; or

The material facts as to the relationship or interest of the affiliate and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically authorized, approved or ratified in good faith by vote of the stockholders; or the contract or transaction is fair as to the Company as of the time it is authorized, approved or ratified, by the Board of Directors or the stockholders.

6

In its pursuit for a combination partner, the Company's management intends to consider only combination candidates which are profitable or, in management's view, have growth potential. The Company's management does not intend to pursue any combination proposal beyond the preliminary negotiation stage with any combination candidate which does not furnish the Company with audited financial statements for at least its most recent fiscal year and unaudited financial statements for interim periods subsequent to the date of such audited financial statements, or is in a position to provide such financial statements in a timely manner. The Company will, if necessary funds are available, engage attorneys

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

and/or accountants in its efforts to investigate a combination candidate and to consummate a business combination. The Company may require payment of fees by such combination candidate to fund the investigation of such candidate. In the event such a combination candidate is engaged in a high technology business, the Company may also obtain reports from independent organizations of recognized standing covering the technology being developed and/or used by the candidate. The Company's limited financial resources may make the acquisition of such reports difficult or even impossible to obtain and, thus, there can be no assurance that the Company will have sufficient funds to obtain such reports when considering combination proposals or candidates. To the extent the Company is unable to obtain the advice or reports from experts, the risks of any combined enterprise's being unsuccessful will be enhanced. Furthermore, to the knowledge of the Company's officers and directors, neither the candidate nor any of its directors, executive officers, principal shareholders or general partners:

- (1) will not have been convicted of securities fraud, mail fraud, tax fraud, embezzlement, bribery, or a similar criminal offense involving misappropriation or theft of funds, or be the subject of a pending investigation or indictment involving any of those offenses;
- (2) will not have been subject to a temporary or permanent injunction or restraining order arising from unlawful transactions in securities, whether as issuer, underwriter, broker, dealer, or investment advisor, may be the subject of any pending investigation or a defendant in a pending lawsuit arising from or based upon allegations of unlawful transactions in securities; or
- (3) will not have been a defendant in a civil action which resulted in a final judgement against it or him awarding damages or rescission based upon unlawful practices or sales of securities.

The Company's officers and directors will make these determinations by asking pertinent questions of the management of prospective combination candidates. Such persons will also ask pertinent questions of others who may be involved in the combination proceedings. However, the officers and directors of the Company will not generally take other steps to verify independently information obtained in this manner which is favorable. Unless something comes to their attention which puts them on notice of a possible disqualification which is being concealed from them, such persons will rely on information received from the management of the prospective combination candidate and from others who may be involved in the combination proceedings.

It is the intention of the current management to maintain its SEC reporting to date in order that the Company might be potentially attractive to a private business that might be interested in becoming a publicly-held company, without the expense and time delay involved in distributing its securities to the public.

Governmental Regulation

It is impossible to predict the government regulation, if any, to which the Company may be subject. The use of assets and/or conduct of businesses that the Company may operate within could subject it to environmental, public health and safety, land use, trade, or other governmental regulations and state or local taxation. Management will endeavor to ascertain and monitor the effects of such, if any, government regulation on the business of the Company. In certain circumstances, however, it may not be possible to predict with any degree of accuracy the impact of government regulation. The inability to ascertain the effect of government regulation on a particular business activity will make the acquisition of an interest in such business a higher risk.

Competition

The Company may be involved in intense competition with other business entities, many of which could have a competitive edge over the Company by virtue of their stronger financial resources and prior experience in business. There is no assurance that the Company will be successful in a competitive business environment.

Employees

The Company currently has no employees. The sole executive officer, who is not compensated for his time contributed to the Company, devotes only such time to the affairs of the Company, which is minimal at this time.

Item 2 - Description of Properties

The Company has no property and currently maintains a mailing address at 211 West Wall, Midland, Texas 79701. The Company's telephone number there is (915) 682-1761. Other than this mailing address, the Company does not currently maintain any other office facilities, and does not anticipate the need for maintaining office facilities at any time in the foreseeable future. The Company pays no rent or other fees for the use of the mailing address or use of office facilities.

Item 3 - Legal Proceedings

The Company is not a party to any material pending legal proceedings, and to the best of its knowledge, no such proceedings by or against the Company have been threatened.

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

No matter was submitted to a vote of security holders in the fiscal years ended December 31, 2001 or 2000, respectively.

PART II

Item 5 - Market for Common Equity and Related Stockholder Matters

Market Information

As of January 14, 2002, there were approximately 400 holders on record of the Company's common stock holding a total of 10,145,640 shares.

During 1999, the Company filed a request for clearance of quotations on the OTC Bulletin Board under SEC Rule 15c2-11, Subsection (a)(5) with NASD Regulation Inc. A Clearance Letter was issued to ProHealth Medical Technologies, Inc. in October 1999 and the Company was issued its trading symbol PHMT. The Company's first posted trade was conducted on November 2, 1999. Between November 1999 and

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

December 1999, the Company's securities were involved in 10 separately listed transactions. There were no listed trades between January 2000 and April 2000 and very limited activity through August 2000. In August 2000, trading in the Company's securities was suspended. The Company reapplied for trading clearance in 2001 and such approval was granted in October 2001, with the first posted trade dated October 18, 2001. The quoted market prices of the Company's common stock on the NASDAQ Electronic Bulletin Board, per data listed by National Quotation Bureau, Inc., are as follows:

8

	High -----	Low ---
First quarter 2000	no posted trades	
Second quarter 2000	\$0.75	\$0.75
Third quarter 2000	\$0.062	\$0.062
Fourth quarter 2000	no posted trades	
First quarter 2001	trading suspended	
Second quarter 2001	trading suspended	
Third quarter 2001	trading suspended	
Fourth quarter 2001	\$0.03	\$0.03

Dividend Policy

The Company has never paid any dividends on its common stock and does not have any current plan to pay any dividends in the foreseeable future.

Item 6 - Management's Discussion and Analysis of Financial Condition, Results of Operations and Plan of Operation

Results of Operations

Years Ended December 31, 2001 and 2000

The Company had no revenue for the years ended December 31, 2001 and 2000, respectively.

General and administrative expenses for the years ended December 31, 2001 and 2000 were approximately \$8,580 and \$720, respectively. General and administrative expenses during these years consisted principally of fees associated with the maintenance of the Company's shareholder ledger. The Company realized a net loss of approximately \$8,580 and \$720 for the years ended December 31, 2001 and 2000, respectively.

The Company does not expect to generate any meaningful revenue or incur operating expenses unless and until such time that the Company's operating subsidiary begins meaningful operations.

Liquidity and Capital Resources

At December 31, 2001, and for all periods subsequent thereto, the Company had working capital of \$135.

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

On September 25, 2001, the Company sold 10,000,000 shares of restricted, unregistered common stock at \$0.001 per share for gross proceeds of \$10,000, pursuant to a private placement memorandum to Glenn A. Little, the Company's President and Chief Executive Officer. These funds were used to support the working capital needs of the Company. The Company relied upon Section 4(2) of The Securities Act of 1933, as amended, for an exemption from registration on these shares.

It is the intent of management and significant stockholders to provide sufficient working capital necessary to support and preserve the integrity of the corporate entity. However, there is no legal obligation for either management or significant stockholders to provide additional future funding. Should this pledge fail to provide financing, the Company has not identified any alternative sources. Consequently, there is substantial doubt about the Company's ability to continue as a going concern.

The Company's need for capital may change dramatically as a result of any business acquisition or combination transaction. There can be no assurance that the Company will identify any such business, product, technology or company suitable for acquisition in the future. Further, there can be no assurance that the Company would be successful in consummating any acquisition on favorable terms or that it will be able to profitably manage the business, product, technology or company it acquires.

9

Item 7 - Financial Statements

The financial statements of the Company appear at the end of this report beginning with the Index to Financial Statements on page F-1.

Item 8 - Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

PART III

Item 9 - Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(A) of The Securities Exchange Act of 1934

Directors and Officers

The following table sets forth the names, ages, and positions with the Company for the sole director and officer of the Company.

Name	Age	Position Held and Tenure
----	---	-----
Glenn A. Little	48	President, Director
Matthew Blair	44	Secretary, Treasurer Director

The directors named above will serve until the next annual meeting of the Company's stockholders or until their successors are duly elected and have qualified. Directors will be elected for one-year terms at the annual stockholders meeting. Officers will hold their positions at the pleasure of the

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

board of directors, absent any employment agreement, of which none currently exists or is contemplated. There is no arrangement or understanding between any of the directors or officers of the Company and any other person pursuant to which any director or officer was or is to be selected as a director or officer, and there is no arrangement, plan or understanding as to whether non-management shareholders will exercise their voting rights to continue to elect the current directors to the Company's board. There are also no arrangements, agreements or understandings between non-management shareholders that may directly or indirectly participate in or influence the management of the Company's affairs.

The directors and officers will devote their time to the Company's affairs on an as needed basis, which, depending on the circumstances, could amount to as little as two hours per month, or more than forty hours per month, but more than likely will fall within the range of five to ten hours per month. There are no agreements or understandings for any officer or director to resign at the request of another person, and none of the officers or directors are acting on behalf of, or will act at the direction of, any other person.

Biographical Information

Glenn A. Little, is a graduate of The University of Florida, Gainesville (Bachelor of Science in Business Administration) and the American Graduate School of International Management (Master International Management) and has been the principal of Little and Company Investment Securities (LITCO), a Securities Broker/Dealer with offices in Midland, Texas since 1979. Mr. Little currently serves as an officer of other inactive public corporations having the same business purpose as the Company.

Before founding LITCO, Mr. Little was a stockbroker with Howard, Weil, Labouisse Friedrich in New Orleans and Midland and worked for the First National Bank of Commerce in New Orleans, Louisiana.

10

Matthew Blair was formerly a solo practitioner of law in Midland, Texas and is presently a Title IV-D Master in Midland County Texas. Before opening his practice he served in the Legal Department of the Federal Deposit Insurance Corporation (FDIC), Midland, Texas where he gained exposure to corporate structures and debt workouts. His employment before the FDIC appointment was with Texas American Energy and Exxon Corporation. Mr. Blair received a Bachelor of Arts in Government from The University of Texas at Austin (1975) and Juris Doctor from Texas Tech University School of Law (1979). He is licensed in every state court in Texas, United States District Court (Texas) and in The United States Supreme Court.

Item 10 - Executive Compensation

There was no compensation paid during either of the years ended December 31, 2001 and 2000.

None of the Company's current officers or directors receives or has received any salary from Company during the preceding five years. The Company does not anticipate entering into employment agreements with any of its officers or directors in the near future. Directors do not receive compensation for their services as directors and are not reimbursed for expenses incurred in attending board meeting.

Item 11 - Security Ownership of Management, Certain Beneficial Owners and

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

Management

The following table sets forth as of January 8, 2002, the number and percentage of the 10,145,640 outstanding shares of common stock that were beneficially owned by (i) each person who is currently a director, (ii) each executive officer, (iii) all current directors and executive officers as a group and (iv) each person who, to the knowledge of the Company is the beneficial owner of more than 5% of the outstanding common stock. Except as otherwise indicated, the persons named in the table have sole voting and dispositive power with respect to all shares beneficially owned, subject to community property laws where applicable.

Name and Address -----	Common Shares -----	Percent of Class (1) -----
Glenn A. Little 211 W. Wall Street Midland TX 79701	10,073,186	99.29%
Matthew Blair 201 W. Wall Street Midland TX 79701	0	0.00%
All officers and directors as a Group (2 persons)	10,073,186	99.29%

(1) Based on 10,145,640 shares outstanding as of January 8, 2002.

Item 12 - Certain Relationships and Related Transactions

On September 25, 2001, the Company sold 10,000,000 shares of restricted, unregistered common stock at \$0.001 per share for gross proceeds of \$10,000, pursuant to a private placement memorandum to Glenn A. Little, the Company's President and Chief Executive Officer. These funds were used to support the working capital needs of the Company. The Company relied upon Section 4(2) of The Securities Act of 1933, as amended, for an exemption from registration on these shares.

The Company's President, Glenn A. Little, has agreed to provide funds to the Company sufficient to cover Company expenses relating to its SEC periodic reporting and other minor corporate expenses.

11

Except for the transactions described above there are no proposed transactions and no transactions during the past two years to which the Company was a party and in which any officer, director, or principal stockholder, or their affiliates or associates, was also a party.

Item 13 - Exhibits and Reports on Form 8-K

Copies of the following documents are included as exhibits to this report pursuant to Item 601 of Regulation S-B.

Exhibits - None

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

Form 8-K Filings - None

12

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Act of 1933, as amended, the Company caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

ProHealth Medical Technologies, Inc.

Dated: January 14, 2002

By: /s/ Glenn A. Little

Glenn A. Little
President, Director and
Chief Executive Officer

In accordance with the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the date as indicated.

Dated: January 14, 2002

By: /s/ Glenn A. Little

Glenn A. Little
President, Director and
Chief Executive Officer

Dated: January 14, 2002

By: /s/ Matthew Blair

Matthew Blair
Director

13

ProHealth Medical Technologies, Inc.

Contents

	Page ----
Report of Independent Certified Public Accountants	F-2
Financial Statements	
Balance Sheets as of December 31, 2001 and 2000	F-3
Statements of Operations for the years ended December 31, 2001 and 2000	F-4

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

Statement of Changes in Shareholders' Equity for the years ended December 31, 2001 and 2000	F-5
Statements of Cash Flows for the years ended December 31, 2001 and 2000	F-6
Notes to Financial Statements	F-7

F-1

S. W. HATFIELD, CPA
certified public accountants

Member: Texas Society of Certified Public Accountants
Press Club of Dallas

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Stockholders
ProHealth Medical Technologies, Inc.

We have audited the accompanying balance sheets of ProHealth Medical Technologies, Inc. (a Nevada corporation) as of December 31, 2001 and 2000 and the related statements of operations and comprehensive income, changes in shareholders' equity and cash flows for the each of the two years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit 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 financial statements referred to above present fairly, in all material respects, the financial position of ProHealth Medical Technologies, Inc. as of December 31, 2000 and 1999 and the related statements of operations and comprehensive income, changes in shareholders' equity and cash flows for the each of the two years then ended, in conformity with generally accepted accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note A to the financial statements, the Company has no viable operations or significant assets and is dependent upon significant shareholders to provide sufficient working capital to maintain the integrity of the corporate entity. These circumstances

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

create substantial doubt about the Company's ability to continue as a going concern and are discussed in Note A. The financial statements do not contain any adjustments that might result from the outcome of these uncertainties.

S. W. HATFIELD, CPA

Dallas, Texas
January 9, 2002

Use our past to assist your future sm (secure mailing address) P. O. Box 820395 Dallas, Texas 75382-0395 214-342-9635 (voice) 800-244-0639	(overnight delivery/shipping address) 9002 Green Oaks Circle, 2nd Floor Dallas, Texas 75243-7212 (fax) 214-342-9601 SWHCPA@aol.com
---	--

F-2

ProHealth Medical Technologies, Inc.
Balance Sheets
December 31, 2001 and 2000

	December 31, 2001 -----	December 31, 2000 -----
ASSETS -----		
Current assets		
Cash on hand and in bank	\$ 135	\$ --
	-----	-----
Total current assets	135	--
	-----	-----
Total Assets	\$ 135	\$ --
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY -----		
Liabilities		
Current liabilities		
Accounts payable - trade	\$ --	\$ 1,283
	-----	-----
Total current liabilities	--	1,283
	-----	-----
Commitments and contingencies		
Shareholders' equity (deficit)		

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

Common stock - \$0.0001 par value		
100,000,000 shares authorized		
10,145,640 and 145,640 shares		
issued and outstanding, respectively	1,015	15
Additional paid-in capital	815,182	806,182
Accumulated deficit	(816,062)	(807,480)
	-----	-----
Total Shareholders' Equity (Deficit)	135	(1,283)
	-----	-----
Total Liabilities and Shareholders' Equity	\$ 135	\$ --
	=====	=====

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

F-3

ProHealth Medical Technologies, Inc.
Statements of Operations and Comprehensive Income
Years ended December 31, 2001 and 2000

	Year ended December 31, 2001	Year ended December 31, 2000
	-----	-----
Revenues	\$ --	\$ --
	-----	-----
Expenses		
General and administrative expenses	8,582	720
	-----	-----
Total operating expenses	8,582	720
	-----	-----
Income (Loss) from continuing operations before provision for income taxes	(8,582)	(720)
Provision for income taxes	--	--
	-----	-----
Net Income (Loss)	(8,582)	(720)
Other Comprehensive Income	--	--
	-----	-----
Comprehensive Income (Loss)	\$ (8,582)	\$ (720)
	=====	=====
Earnings per share of common stock outstanding computed on net loss - basic and fully diluted	nil	\$ (0.01)
	=====	=====

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

Weighted-average number of shares		
outstanding - basic and fully diluted	2,830,572	145,640
	=====	=====

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

F-4

ProHealth Medical Technologies, Inc.
Statement of Changes in Shareholders' Equity
Years ended December 31, 2001 and 2000

	Common Stock		Additional paid-in capital	Accumulated deficit	Total
	Shares	Amount			
Balances at January 1, 2000	145,640	\$ 15	\$ 805,782	\$ (806,760)	\$ (
Capital contributed to support operations	--	--	400	--	
Net loss for the year	--	--	--	(720)	(
Balances at December 31, 2000	145,640	15	806,182	(807,480)	(1,
Private placement of common stock	10,000,000	1,000	9,000	--	10,
Net loss for the year	--	--	--	(8,582)	(8,
Balances at December 31, 2001	10,145,640	\$ 1,015	\$ 815,182	\$ (816,062)	\$

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

F-5

ProHealth Medical Technologies, Inc.
Statements of Cash Flows
Years ended December 31, 2001 and 2000

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

	Year ended December 31, 2001 -----	Year ended December 31, 2000 -----
Cash Flows from Operating Activities		
Net income (loss) for the period	\$ (8,582)	\$ (720)
Adjustments to reconcile net loss to net cash provided by operating activities		
Increase (Decrease) in Accounts payable - trade	(1,283)	320
	-----	-----
Net cash used in operating activities	(9,865)	(400)
	-----	-----
Cash Flows from Investing Activities		
	--	--
	-----	-----
Cash Flows from Financing Activities		
Cash received on private placement of common stock	10,000	--
Cash advanced by shareholder	--	400
	-----	-----
Net cash provided by financing activities	10,000	400
	-----	-----
Increase (Decrease) in Cash	135	--
Cash at beginning of period	--	--
	-----	-----
Cash at end of period	\$ 135	\$ --
	=====	=====
Supplemental Disclosure of Interest and Income Taxes Paid		
Interest paid for the year	\$ --	\$ --
	=====	=====
Income taxes paid for the year	\$ --	\$ --
	=====	=====

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

F-6

ProHealth Medical Technologies, Inc.

Notes to Financial Statements

Note A - Organization and Description of Business

ProHealth Medical Technologies, Inc. (Company) was originally incorporated on January 26, 1983 under the laws of the State of Florida as Datalink Systems, Inc. for the purpose of marketing electronic information processing systems to the medical and healthcare industries. As of December 31, 1986, the Company had

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

closed this business operation.

The Company changed its corporate name to Datalink Capital Corporation in April 1987 and to Midland Capital Resources, Inc. in April 1991. Subsequent thereto, the Company forfeited its corporate charter in the State of Florida due to non-payment of various taxes and fees. In July 1997, the Company's corporate charter was reactivated with the State of Florida and changed its corporate name to Datalink Capital Corporation, effective September 24, 1997.

On December 29, 1998, the Company changed its State of Incorporation from Florida to Nevada by means of a merger with and into DCC Acquisition Corporation, a Nevada corporation formed solely for the purpose of effecting the reincorporation. The Articles of Incorporation and Bylaws of the Nevada corporation are the Articles of Incorporation and Bylaws of the surviving corporation. Such Articles of Incorporation did not change the capital structure of the Company and effectively changed the corporate name to DCC Acquisition Corporation.

In November 1999, in anticipation of a business combination transaction, the Company experienced a change in control. As a result of the change in control and the anticipated business combination transaction, the Company changed its corporate name to ProHealth Medical Technologies, Inc. Subsequently, the anticipated business combination transaction did not occur.

The Company has had no operations, assets or liabilities since 1989. Accordingly, the Company is dependent upon management and/or significant shareholders to provide sufficient working capital to preserve the integrity of the corporate entity at this time. It is the intent of management and significant shareholders to provide sufficient working capital necessary to support and preserve the integrity of the corporate entity. In September 2001, the Company sold 10,000,000 restricted, unregistered shares of common stock at \$0.001 per share, for gross proceeds of \$10,000, to the Company's President to provide working capital to satisfy all debts incurred in the maintenance of the corporate entity.

The Company follows the accrual basis of accounting in accordance with generally accepted accounting principles and has a year-end of December 31.

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.

Note B - Summary of Significant Accounting Policies

1. Cash and cash equivalents

For Statement of Cash Flows purposes, the Company considers all cash on hand and in banks, including accounts in book overdraft positions, certificates of deposit and other highly-liquid investments with maturities of three months or less, when purchased, to be cash and cash equivalents.

F-7

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

Notes to Financial Statements - Continued

Note B - Summary of Significant Accounting Policies - Continued

2. Income Taxes

At December 31, 2001, as a result of the November 1999 change in control, the Company has a net operating loss carryforward for income tax purposes of approximately \$12,000. If this carryforward is not fully utilized, it will begin to expire in 2019. As of December 31, 2001 and 2000, respectively, the deferred tax asset related to the Company's net operating loss carryforward is fully reserved.

3. Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) by the weighted-average number of shares of common stock and common stock equivalents (primarily outstanding options and warrants). Common stock equivalents represent the dilutive effect of the assumed exercise of the outstanding stock options and warrants, using the treasury stock method. The calculation of fully diluted earnings (loss) per share assumes the dilutive effect of the exercise of outstanding options and warrants at either the beginning of the respective period presented or the date of issuance, whichever is later. As of December 31, 2001 and 2000, respectively, the Company had no warrants and/or options outstanding.

Note C - Fair Value of Financial Instruments

The carrying amount of cash, accounts receivable, accounts payable and notes payable, as applicable, approximates fair value due to the short term nature of these items and/or the current interest rates payable in relation to current market conditions.

Note D - Income Taxes

The components of income tax (benefit) expense for the year ended December 31, 2001 and 2000, respectively, are as follows:

	December 31, 2001	December 31, 2000
	-----	-----
Federal:		
Current	\$ --	\$ --
Deferred		
	-----	-----
	--	--
	-----	-----
State:		
Current	--	--
Deferred	--	--
	-----	-----
	--	--
	-----	-----
Total	\$ --	\$ --
	=====	=====

ProHealth Medical Technologies, Inc.

Notes to Financial Statements - Continued

Note D - Income Taxes - Continued

As of December 31, 2001, as a result of the November 1999 change in control, the Company has a net operating loss carryforward of approximately \$12,000 to offset future taxable income. Subject to current regulations, this carryforward will begin to expire in 2019. The amount and availability of the net operating loss carryforwards may be subject to limitations set forth by the Internal Revenue Code. Factors such as the number of shares ultimately issued within a three year look-back period; whether there is a deemed more than 50 percent change in control; the applicable long-term tax exempt bond rate; continuity of historical business; and subsequent income of the Company all enter into the annual computation of allowable annual utilization of the carryforwards.

The Company's income tax expense for the nine months ended September 30, 2001 and 2000, respectively, are as follows:

	December 31, 2001	December 31, 2000
	-----	-----
Statutory rate applied to loss before income taxes	\$ (2,918)	\$ (245)
Increase (decrease) in income taxes resulting from:		
State income taxes	--	--
Other, including reserve for deferred tax asset	2,918	245
	-----	-----
Income tax expense	\$ --	\$ --
	=====	=====

Temporary differences, consisting primarily of statutory deferrals of expenses for organizational costs and statutory differences in the depreciable lives for property and equipment, between the financial statement carrying amounts and tax bases of assets and liabilities give rise to deferred tax assets and liabilities as of September 30, 2001 and 2000, respectively:

	December 31, 2001	December 31, 2000
	-----	-----
Deferred tax assets		
Net operating loss carryforwards	\$ 4,080	\$ 1,150
Less valuation allowance	(4,080)	(1,150)
	-----	-----
Net Deferred Tax Asset	\$ --	\$ --
	=====	=====

Edgar Filing: PROHEALTH MEDICAL TECHNOLOGIES INC - Form 10KSB

Note E - Common Stock Transactions

On September 25, 2001, the Company sold 10,000,000 shares of restricted, unregistered common stock at \$0.001 per share for gross proceeds of \$10,000, pursuant to a private placement memorandum to the Company's President and Chief Executive Officer. These funds were used to support the working capital needs of the Company. The Company relied upon Section 4(2) of The Securities Act of 1933, as amended, for an exemption from registration on these shares.

F-9

ProHealth Medical Technologies, Inc.

Notes to Financial Statements - Continued

Note F - Selected Financial Data (Unaudited)

The following is a summary of the quarterly results of operations for the years ended December 31, 2001 and 2000, respectively.

	Quarter ended March 31 -----	Quarter ended June 30 -----	Quarter ended September 30 -----	Quarter ended December 31 -----	Year e Decemb -----
2001					

Net revenues	\$ --	\$ --	\$ --	\$ --	\$ --
Gross profit	--	--	--	--	
Net loss from operations	(105)	(105)	(8,372)	--	
Basic and fully diluted earnings per share	nil	nil	\$ (0.02)	nil	
Weighted-average number of shares outstanding	145,640	145,640	365,420	10,145,640	2,8
2000					

Net revenues	\$ --	\$ --	\$ --	\$ --	\$ --
Gross profit	--	--	--	--	
Net loss from operations	(222)	(159)	(180)	(159)	
Basic and fully diluted earnings per share	nil	nil	nil	nil	
Weighted-average number of shares outstanding	145,640	145,640	145,640	145,640	1

F-10

