JACKSON RIVERS CO
Form 10QSB
May 23, 2005

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

FORM 10-QSB

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

For the quarterly period ended March 31, 2005.

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

COMMISSION FILE NUMBER: 333-70932

THE JACKSON RIVERS COMPANY
(Name of small business issuer in its charter)

FLORIDA	65-1102865
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
402 W. BROADWAY STE. 400 SAN DIEGO, CA	92101
(Address of principal executive offices)	(Zip Code)

(619) 615-4242
(Issuer''s telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or 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 [ ]

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of May 3, 2005, the issuer had 598,732,720 shares of its common stock issued and outstanding.

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

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

THE JACKSON RIVERS COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS	March 31, 2005	December 31
Current assets:		
Cash and cash equivalents	$ 6,950	$
Accounts receivable, net of allowance for doubtful account of 2,900 at March 31, 2005 and December 31, 2004	21,905	3
Inventory, net	10,662	
Prepaid expenses and other	15,397	
Total current assets	54,914	5
Property and equipment, net of accumulated depreciation of 2,935 and $2,357 at March 31, 2005 and December 31, 2004, Respectively	8,624	
Total Assets	$ 63,538	$ 5
LIABILITIES AND (DEFICIENCY IN) STOCKHOLDERS' EQUITY		
Current liabilities:		
Cash disbursed in excess of available funds	$ 4,874	$ 1
Accounts payable and accrued liabilities	403,943	36
Total current liabilities	408,817	37
Commitments and contingencies	-	
(Deficiency in) stockholders' equity:		
Preferred stock, par value $.00001 per share, 1,000,000,000 shares authorized:		
Series A preferred stock, par value $.00001 per share, 10,000,000 shares authorized; 960,000 and 980,000 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively	10	

Series B preferred stock, par value $.00001 per share, 10,000,000 shares authorized; none issued and outstanding at March 31, 2005 and December 31, 2004	-	
Common stock, par value $.00001 per share, 5,000,000,000 shares authorized; 658,732,720 and 61,687 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively	6,587	
Additional paid-in capital	6,753,098	5,63
Stock subscription receivable	(7,800)	(6
Accumulated deficit	(7,097,174)	(5,87
Total (deficiency in) stockholders' equity	(345,279)	(31
Total liabilities and (deficiency in) stockholders' equity	$ 63,538	$ 5

See accompanying notes to the unaudited condensed consolidated financial information

THE JACKSON RIVERS COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF LOSSES
(UNAUDITED)

	For the three months ended March 31, 2005	2004
Revenues:		
Sales, net	$ 7,907	$ -
Cost of sales	2,655	-
Gross profit	5,252	-
Operating expenses:		
Selling, general, and administrative	1,222,085	739,654
Acquisition costs	-	1,000,000
Depreciation	578	407
Total operating expenses	1,222,663	1,740,061
Loss from operations	(1,217,411)	(1,740,061)
Other income:		
Interest income, net	9	6
Total other income	9	6
Net loss before provision for income taxes	(1,217,402)	(1,740,055)
Provision for income taxes	-	-
Net loss	$ (1,217,402)	$ (1,740,055)

Loss per share, basic and assuming dilution	$ (0.01)	$ (60,693.23)
Basic and diluted weighted average number of shares outstanding	141,323,093	29

See accompanying notes to the unaudited condensed consolidated financial information

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THE JACKSON RIVERS COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the three months ended 2005	
CASH FLOW FROM OPERATING ACTIVITIES:		
Net loss from operation	$ (1,217,402)	$
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	578	
Common stock issued in exchange for consulting services rendered	181,640	
Common stock issued in exchange for employee services rendered and related transaction costs	823,458	
Employee compensation and transaction costs in connection with common stock subscribed	-	
Common stock to be issued in exchange for acquisition costs	-	
Decrease in accounts receivable	15,895	
(Increase) in inventory	(10,662)	
(Increase) in prepaid expenses and other	(8,443)	
(Decrease) cash disbursed in excess of available funds	(6,200)	
Increase in accounts payable and accrued liabilities	42,756	
Net cash (used in) operating activities	(178,379)	
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	-	
Net cash (used in) investing activities	-	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the sale of common stock and common stock	180,057	
subscribed, net of costs and fees		
Net cash provided by financing activities	180,057	
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,678	
Cash and cash equivalents at beginning of period	5,272	

Cash and cash equivalents at end of period	$ 6,950	$

See accompanying notes to the unaudited condensed consolidated financial information

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THE JACKSON RIVERS COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(UNAUDITED)

	For the three months ended March 31 2005	2004
Supplemental Disclosure of Cash Flows Information:		
Cash paid during the period for interest	$ -	$
Cash paid during the period for income taxes	-	
Common stock issued in exchange for consulting services rendered	181,640	260,
Common stock issued in exchange for employee services rendered and related transaction costs	823,458	95,
Employee compensation and transaction costs in connection with common stock subscribed	-	
Common stock to be issued in exchange for acquisition costs	-	1,000,
Employee stock purchase plan:		
Common stock issued under employee stock purchase plan	947,685	510,
Add: common stock subscribed in prior period	63,630	53,
Less: stock subscription receivable	(7,800)	
Less: common stock retained by employees and related transaction costs	(823,458)	(95,
Net proceeds from the sale of common stock	$ 180,057	$ 467,

See accompanying notes to the unaudited condensed consolidated financial information

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THE JACKSON RIVERS COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION
MARCH 31, 2005
(UNAUDITED)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-QSB. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Accordingly, the results from operations for the three-month period ended March 31, 2005, are not necessarily indicative of the results that may be expected for the year ended December 31, 2005. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated December 31, 2004 financial statements and footnotes thereto included in the Company's SEC Form 10-KSB.

Business and Basis of Presentation

The Jackson Rivers Company (the ""Company"") was incorporated on May 8, 2001 under the laws of the State of Florida. The Company was a ""development stage enterprise"" (as defined in statement of Financial Accounting Standards No. 7) until September 30, 2004. The Company is currently engaged in the business of developing and providing customized information management systems. During the first quarter 2005, the Company's wholly owned subsidiary, JRC Global Products, Inc., began to market hair extension and replacement systems.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Jackson Rivers Technologies, Inc. and JRC Global Products, Inc. Significant intercompany transactions and accounts have been eliminated in consolidation.

Stock Based Compensation

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure-an amendment of SFAS 123." This statement amends SFAS No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in APB Opinion No. 25 and related interpretations. Accordingly, compensation expense for stock options is measured as the excess, if any, of the fair market value of the Company's stock at the date of the grant over the exercise price of the related option. The Company has adopted the annual disclosure provisions of SFAS No. 148 in its financial reports for the year ended December 31, 2004 and has adopted the interim disclosure provisions for its financial reports for the subsequent periods. The Company has no awards of stock-based employee compensation outstanding at March 31, 2005 (Note C).

THE JACKSON RIVERS COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION
MARCH 31, 2005
(UNAUDITED)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Stock Based Compensation (Continued)

On December 16, 2004, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 123R (revised 2004), "Share-Based Payment" which is a revision of FASB Statement No. 123, "Accounting for Stock-Based Compensation". Statement 123R supersedes APB opinion No. 25, "Accounting for Stock Issued to Employees", and amends FASB Statement No. 95, "Statement of Cash Flows". Generally, the approach in Statement 123R is similar to the approach described in Statement 123. However, Statement 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro-forma disclosure is no longer an alternative. On April 14, 2005, the SEC amended the effective date of the provisions of this statement. The effect of this amendment by the SEC is that the Company will have to comply with Statement 123R and use the Fair Value based method of accounting no later than the first quarter of 2006. Management has not determined the impact that this statement will have on Company's consolidated financial statements.

Reclassification

Certain reclassifications have been made to conform to prior periods'' data to the current presentation. These reclassifications had no effect on reported losses.

NOTE B - CAPITAL STOCK

The Company has authorized 100,000,000 shares of common stock, with a par value $0.001 per share. In August 2004, the Company filed the Article of Amendment to the Articles of Incorporation to increase the authorized shares to be 2,180,000,000, of which 1,980,000,000 shares shall be common shares with a par value $0.001 per share, and 200,000,000 shares shall be preferred shares with a par value $0.001 per share. In November 2004, the Company's board of directors approved an amendment to the Articles of Incorporation to increase the authorized common shares from 1,980,000,000 to 5,000,000,000 shares, with a par value $0.00001 per share, and increase the authorized preferred shares from 200,000,000 to 1,000,000,000 shares, with a par value $0.00001 per share. In November 2004, the Company effected a one one-for-one thousand reverse stock split of its authorized and outstanding shares of common stock. In February 2005, the Company effected a one one-for-two thousand reverse stock split of its authorized and outstanding shares of common stock. All references in the financial statements and notes to financial statements, numbers of shares and share amounts have been retroactively restated to reflect the reverse split in November 2004 and February 2005. As of March 31, 2005 and December 31, 2004, the Company has 658,732,720 and 61,687 shares of common stock issued and outstanding, respectively.

Effective October 18, 2004, the Company designated 10,000,000 shares of its preferred stock as the Series A Preferred Stock. Each share of the series A preferred stock is convertible into 1,000 shares of the Company's common stock. On all matters submitted to a vote of the Company's security holders, a holder of the Series A Preferred Stock is entitled to the number of votes equal to the number of shares of the Series A Preferred Stock held by such holder multiplied by 2,000. Upon the dissolution, liquidation or winding up of the Company, whether voluntary or involuntary, the holders of the then outstanding shares of Series A Preferred Stock shall be entitled to receive out of the assets of the Company the sum of $0.001 per share (the "Liquidation Rate") before any payment or distribution shall be made on the common stock, or any other class of capital stock of the Company ranking junior to the Series A Preferred Stock. As of March 31, 2005 and December 31, 2004, the Company has 960,000 and 980,000 shares of Series A preferred stock issued and outstanding, respectively.

NOTE B - CAPITAL STOCK (CONTINUED)

Effective October 18, 2004, the Company also designated 10,000,000 shares of its preferred stock as the Series B Preferred Stock. Each share of the series B preferred stock is convertible into shares of the Company's common stock at 80 percent of the OTCBB, (or such other exchange or market on which the Common Stock is then listed, if the Common Stock is not listed on the OTCBB) five-day average closing bid price for each share of the common stock for the five days prior to the date of the conversion. Upon the dissolution, liquidation or winding up of the Company, whether voluntary or involuntary, the holders of the then outstanding shares of Series B Preferred Stock shall be entitled to receive out of the assets of the Company the sum of $0.001 per share (the "Liquidation Rate") before any payment or distribution shall be made on the common stock, or any other class of capital stock of the Company ranking junior to the Series B Preferred Stock. As of March 31, 2005 and December 31, 2004, the Company has no Series B preferred stock issued and outstanding.

During the three months ended March 31, 2005, the Company issued an aggregate of 123,530,000 shares of common stock to consultants in exchange for $181,640 of services rendered, which approximated the fair value of the shares issued during the period the services were rendered. The Company issued an aggregate of 515,141,033 shares of common stock, valued at $939,885, to officers and employees for stock options exercised (Note C). The Company received $180,057 of proceeds in connection with common shares issued to employees for common stock subscribed and stock options exercised, net of costs and fees. Stock subscription of $7,800 was due to the Company at March 31, 2005 and compensation and related transaction costs of $823,458 were charged to operations during the period ended March 31, 2005. Additionally, the Company's President and CEO converted 20,000 shares of the Series A preferred stock into 20,000,000 shares of the Company's restricted common stock.

NOTE C - EMPLOYEE STOCK INCENTIVE PLAN

In August 2003, the Company established the 2003 Employee Stock Incentive Plan (the "Plan"). The purpose of the Plan is to provide officers and employees, who make significant contributions to the long-term growth and performance of the Company, with equity-based compensation incentives, and to attract and retain quality employees. The Plan is administered by a Compensation Committee (the "Committee") appointed by the board of directors of the Company. The number of shares authorized under the Plan shall not be proportionately adjusted in the event of any increase or decrease in the number of the issued shares of the common stock which results from any stock split.

The maximum number of shares of common stock that may be awarded or issued under the Plan was 17,000,000 shares. In January 2004, Company established the 2004 Employee Stock Incentive Plan and the maximum number of shares of common stock that may be awarded or issued under the 2004 Plan is 50,000,000 shares. In September 2004, the Company increased the maximum number of shares of common stock that may be awarded or issued to 400,000,000 shares. In

December 2004, the Company increased the maximum number of shares of common stock that may be awarded or issued to 800,000,000 shares.

The stock option plan provides for the issuance of incentive stock options at an exercise price approximating 85% of the fair market value of the Company's common stock on the date of exercise (or 110% of the fair market value of the common stock on the date of the grant of the option, in the case of significant stockholders). The maximum life of the options is ten years. An aggregate of 515,141,033 stock options were granted to employees during the period ended March 31, 2005, and all options were exercised on the grant date (Note B). There are no stock options outstanding at March 31, 2005.

NOTE D - SUBSEQUENT EVENTS

Subsequent to the date of financial statements, the Company canceled an aggregate of 60,000,000 shares of common stock, valued at $7,800, issued to employees in connection with stock options exercised in March 2005.

ITEM 2. MANAGEMENT''S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS.

FORWARD-LOOKING INFORMATION

Much of the discussion in this Item is ""forward looking"" as that term is used in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934. Actual operations and results may materially differ from present plans and projections due to changes in economic conditions, new business opportunities, changed business conditions, and other developments. Other factors that could cause results to differ materially are described in our filings with the Securities and Exchange Commission.

There are several factors that could cause actual results or events to differ materially from those anticipated, and include, but are not limited to general economic, financial and business conditions, changes in and compliance with governmental laws and regulations, including various state and federal environmental regulations, our ability to obtain additional financing from outside investors and/or bank and mezzanine lenders and our ability to generate sufficient revenues to cover operating losses and position us to achieve positive cash flow.

Readers are cautioned not to place undue reliance on the forward-looking statements contained herein, which speak only as of the date hereof. We believe the information contained in this Form 10-QSB to be accurate as of the date hereof. Changes may occur after that date. We will not update that information except as required by law in the normal course of its public disclosure practices.

Additionally, the following discussion regarding our financial condition and results of operations should be read in conjunction with the financial statements and related notes contained in Item 1 of Part I of this Form 10-QSB, as well as the financial statements in Item 7 of Part II of our Form 10-KSB for the fiscal year ended, 2 December 31, 2004.

GENERAL

The Jackson Rivers Company was incorporated on May 8, 2001 under the laws of the State of Florida. We were a ""development stage enterprise"" (as defined in statement of Financial Accounting Standards No. 7) until September 30, 2004. Beginning in 2004, we entered the business of developing and providing customized information management systems. In 2005, JRC Global Products, our wholly-owned subsidiary, has begun to market hair extension and replacement systems.

RECENT EVENTS

During the first quarter of 2005, JRC Global Products, our wholly-owned subsidiary, has hired a President and Vice President to head up efforts to market and distribute the Raphael Basante Hair Systems' line of hair products and services. We plan to market and distribute the patented Raphael Basante hair extension and replacement systems to the general salon market, distributors and train salon professionals to use the system worldwide.

We plan to build brand awareness by exhibiting at trade shows and conducting our own training classes in major market areas. We will focus on the point of difference that our extensions have over others that are on the market. We expect to penetrate the market through distribution. We will target major distributors that we feel have product line synergies and with our help and joint marketing effort we will enable them to do an effective job in expanding their current client base. In turn, we will allow them to create trial opportunities for this new and innovative product that does not hurt your hair or scalp. We feel that there is an untapped market of potential extension users who would never try extensions for fear of harming their hair.

Our marketing approach will be regional rollouts in order to effectively work with our distributors without creating a strain on our educators and support from our manufacturers. We expect to create a full line of POS materials for the salons to generate interest in their clients while they are in the salon. We are also developing a co-op marketing program for our distributors.

In conjunction, we are organizing joint promotions with other manufacturers to help increase sales and trial for all parties involved in the promotion.

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We will also support our marketing effort with trade ads, editorials and third party testimonials. As a compliment to our unique line of extensions, we will also carry a line of the conventional method of extensions. We feel that this additional product offering is also superior to the extensions that are currently on the market. This will allow the distributor's representative the option - if his or her customer does not have time to train on the new system - to sell them a better system than they are currently using.

JRC Global Products, dba Raphael Basante Hair Systems, made its debut appearance April 17 through 19, exhibiting at the International Beauty Show at the Jacob Javits Center in New York, NY. On display, and demonstrated, were the Company''s breakthrough hair extension and replacement systems and products, Visions, where the client's existing hair is pulled through openings in the center of the base of the extension or hair replacement. In addition, the more conventional method, called Vision Tips, was made available, where the hair is glued with a heating device to the clients' existing hair.

CURRENT BUSINESS PLAN

Our current purpose is to seek, investigate and, if such investigation warrants, acquire an interest in business opportunities presented to us by persons or firms who or which desire to seek the perceived advantages of a corporation which is registered under the Securities Exchange Act of 1934, as amended. We do not restrict our search to any specific business; industry or geographical location and we may participate in a business venture of virtually any kind or nature.

We may seek a business opportunity with entities which have recently commenced operations, or which wish to utilize the public marketplace in order to raise additional capital in order to expand into new products or markets, to develop a new product or service or for other corporate purposes. We may acquire assets and establish wholly owned subsidiaries in various businesses or acquire existing businesses as subsidiaries.

As part of our investigation of potential merger candidates, our officers and directors will meet personally with management and key personnel, may visit and inspect material facilities, obtain independent analysis or verification of certain information provided, check references of management and key personnel and take other reasonable investigative measures, to the extent of our financial resources and management expertise. The manner in which we participate in an opportunity will depend on the nature of the opportunity, the respective needs and desires of us and other parties, the management of the opportunity, our relative negotiation strength and that of the other management.

We intend to concentrate on identifying preliminary prospective business opportunities that may be brought to our attention through present associations of our officers and directors, or by our stockholders. In analyzing prospective business opportunities, we will consider such matters as the available technical, financial and managerial resources; working capital and other financial requirements; history of operations, if any; prospects for the future; nature of present and expected competition; the quality and experience of management services which may be available and the depth of that management; the potential for further research, development or exploration; specific risk factors not now foreseeable but which then may be anticipated to impact our proposed activities; the potential for growth or expansion; the potential for profit; the perceived public recognition or acceptance of products, services or trades; name identification; and other relevant factors.

Our officers and directors will meet personally with management and key personnel of the business opportunity as part of their investigation. We will not acquire or merge with any company for which audited financial statements cannot be obtained within a reasonable period of time after closing of the proposed transaction, as required by the Exchange Act.

We will not restrict our search to any specific kind of firms, but may acquire a venture which is in its preliminary or development stage, which is already in operation, or which is in essentially any stage of its corporate life. It is impossible to predict at this time the status of any business in which we may become engaged, in that such business may need to seek additional capital, may desire to have its shares publicly traded or may seek other perceived advantages which we may offer.

RECENT CHANGES IN OUR CAPITAL STRUCTURE.

In November 2004, our board of directors approved an amendment to the Articles of Incorporation to increase the authorized common shares. Effective January 31, 2005, we amended our articles of incorporation to authorize 5,000,000,000 shares of common stock, par value $0.00001 per share, and 1,000,000,000 shares of preferred stock, par value $0.00001 per share.

Effective February 1, 2005, we implemented a reverse split of our issued and outstanding common stock on the basis of one post-consolidation share for each 2,000 pre-consolidation shares

RESULTS OF OPERATIONS

CONTINUING OPERATIONS

REVENUE

THREE MONTHS ENDED MARCH 31, 2005 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2004.

Total net sales and revenues were at $7,907 for the three months ended March 31, 2004 compared to $0 for the prior period, an increase of 100 percent. In the first quarter 2005, JRC Global Products, our wholly-owned subsidiary, begun to market hair extension and replacement systems.

Our gross profit for the three months ended March 31, 2005 compared to 2004 increased to 5,252 from $0. Gross margin as a percentage of sales increased to 66 percent in 2005 from 0 percent in 2004. This was attributable to JRC Global Products's sales in the first quarter 2005.

Total operating expenses for the three months ended March 31, 2005 compared to 2004 decreased by $517,398 to $1,222,663 from $1,740,061 in the prior period.

Operating loss decreased to a loss of $1,217,411 from a loss of $1,740,061 for the three months ended March 31, 2005. This was primarily attributable to $1,000,000 of acquisition costs recorded during the quarter ended March 31, 2004 in connection with an LLC Interest Purchase Agreement with Multitrade Technologies LLC ("MTT") dated February 2004. In June 2004, the Company had rescinded the Agreement.

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LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2005, we had a deficiency in working capital of $353,903

During the three months ended March 31, 2005 the Company has incurred a operating cash flow deficit of $ 178,379. We met our cash requirements through the issuance of common tock under our Employee Stock Incentive Plan as registered on SEC Form S-8 of $ 180,057.

By adjusting our operations and development to the level of capitalization, we believe we have sufficient capital resources to meet projected cash flow deficits. However, if during that period or thereafter, we are not successful in generating sufficient liquidity from operations or in raising sufficient capital resources, on terms acceptable to us, this could have a material adverse effect on our business, results of operations liquidity and financial condition.

While we have raised capital to meet our working capital and financing needs in the past, additional financing is required in order to meet our current and projected cash flow deficits from operations and development. We are seeking financing in the form of equity in order to provide the necessary working capital. We currently have no commitments for financing. There is no guarantee that we will be successful in raising the funds required.

The effect of inflation on the Company's operating results was not significant. The Company's operations are located in North America and there are no seasonal aspects that would have a material effect on the Company's financial condition or results of operations.

The Company's independent certified public accountant has stated in their report included in the Company's December 31, 2004 Form 10-KSB, that the Company has experienced difficulty in generating cash flow to meet its obligations and sustain operations , and that the Company is dependent upon management's ability to develop profitable operations. These factors among others may raise substantial doubt about the Company's ability to continue as a going concern.

CRITICAL ACCOUNTING POLICIES

The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and judgments that affect our reported assets, liabilities, revenues, and expenses, and the disclosure of contingent assets and liabilities. We base our estimates and judgments on historical experience and on various other assumptions we believe to be reasonable under the circumstances. Future events, however, may differ markedly from our current expectations and assumptions. While there are a number of significant accounting policies affecting our consolidated financial statements, we believe the following critical accounting policy involve the most complex, difficult and subjective estimates and judgments.

STOCK-BASED COMPENSATION

In December 2002, the FASB issued SFAS No. 148 - Accounting for Stock-Based Compensation - Transition and Disclosure. This statement amends SFAS No. 123 - Accounting for Stock-Based Compensation, providing alternative methods of voluntarily transitioning to the fair market value based method of accounting for stock based employee compensation. FAS 148 also requires disclosure of the method used to account for stock-based employee compensation and the effect of the method in both the annual and interim financial statements. The provisions of this statement related to transition methods are effective for fiscal years ending after December 15, 2002, while provisions related to disclosure requirements are effective in financial reports for interim periods beginning after December 31, 2002.

We elected to continue to account for stock-based compensation plans using the intrinsic value-based method of accounting prescribed by APB No. 25, ""Accounting for Stock Issued to Employees,"" and related interpretations. Under the provisions of APB No. 25, compensation expense is measured at the grant date for the difference between the fair value of the stock and the exercise price.

RECENT ACCOUNTING PRONOUNCEMENTS

In November 2004, the Financial Accounting Standards Board (FASB) issued SFAS 151, Inventory Costs- an amendment of ARB No. 43, Chapter 4. This Statement amends the guidance in ARB No. 43, Chapter 4, ""Inventory Pricing,"" to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Paragraph 5 of ARB 43, Chapter 4, previously stated that ""under some circumstances, items such as idle facility expense, excessive spoilage, double freight, and rehandling costs may be so abnormal as to require treatment as current period charges."" This Statement requires that those items be recognized as current-period charges regardless of whether they meet the criterion of ""so abnormal."" In addition, this Statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. This Statement is effective for inventory costs incurred during fiscal years beginning after June 15, 2005. Management does not believe the adoption of this Statement will have any immediate material impact on the Company.

In December 2004, the FASB issued SFAS No.152, "Accounting for Real Estate Time-Sharing Transactions-an amendment of FASB Statements No. 66 and 67" ("SFAS 152) The amendments made by Statement 152 This Statement amends FASB Statement No. 66, Accounting for Sales of Real Estate, to reference the financial accounting and reporting guidance for real estate time-sharing transactions that is provided in AICPA Statement of Position (SOP) 04-2, Accounting for Real Estate Time-Sharing Transactions. This Statement also amends FASB Statement No. 67, Accounting for Costs and Initial Rental Operations of Real Estate Projects, to state that the guidance for (a) incidental operations and (b) costs incurred to sell real estate projects does not apply to real estate time-sharing transactions. The accounting for those operations and costs is subject to the guidance in SOP 04-2. This Statement is effective for financial statements for fiscal years beginning after June 15, 2005. with earlier application encouraged.

We do not anticipate that the implementation of this standard will have a material impact on its financial position, results of operations or cash flows.

On December 16, 2004, the Financial Accounting Standards Board ("FASB") published Statement of Financial Accounting Standards No. 123 (Revised 2004), Share-Based Payment ("SFAS 123R"). SFAS 123R requires that compensation cost related to share-based payment transactions be recognized in the financial statements. Share-based payment transactions within the scope of SFAS 123R include stock options, restricted stock plans, performance-based awards, stock appreciation rights, and employee share purchase plans. The provisions of SFAS 123R are effective as of the first interim period that begins after June 15, 2005. Accordingly, the Company will implement the revised standard in the third quarter of fiscal year 2005. Currently, the Company accounts for its share-based payment transactions under the provisions of APB 25, which does not necessarily require the recognition of compensation cost in the financial statements. Management is assessing the implications of this revised standard, which may materially impact the Company's results of operations in the third quarter of fiscal year 2005 and thereafter.

On December 16, 2004, FASB issued Statement of Financial Accounting Standards No. 153, Exchanges of Nonmonetary Assets, an amendment of APB Opinion No. 29, Accounting for Nonmonetary Transactions (" SFAS 153"). This statement amends APB Opinion 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. Under SFAS 153, if a nonmonetary exchange of similar productive assets meets a commercial-substance criterion and fair value is determinable, the transaction must be accounted for at fair value resulting in recognition of any gain or loss. SFAS 153 is effective for nonmonetary transactions in fiscal periods that begin after June 15, 2005. We do not anticipate that the implementation of this standard will have a material impact on its financial position, results of operations or cash flows.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements.

ITEM 3. CONTROLS AND PROCEDURES.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission''s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive and financial officers, as appropriate to allow timely decisions regarding required disclosure.

Evaluation of Disclosure and Controls and Procedures. As of the end of the period covered by this Quarterly Report, we conducted an evaluation, under the supervision and with the participation of our chief executive officer and chief financial officer, of our disclosure controls and procedures (as defined in Rules 13a-15(e) of the Exchange Act). Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

Changes in Internal Controls Over Financial Reporting. There was no change in our internal controls, which are included within disclosure controls and procedures, during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

Effective January 31, 2005, our majority stockholder voted to:

- Ratify the November 22, 2004 amendment to our articles of incorporation to change the par value of our common and preferred stock from $0.001 per share to $0.00001 per share;

- Ratify the November 22, 2004 reverse split of our common stock on the basis of one post-consolidation share for each one thousand pre-consolidation shares;

- Approve an amendment to our articles of incorporation to increase the authorized number of shares of our common stock from 1,980,000,000 to 5,000,000,000 shares;

- Approve an amendment to our articles of incorporation to increase the authorized number of shares of our preferred stock from 200,000,000 to 1,000,000,000 shares;

- Grant discretionary authority to our board of directors to implement a reverse split of our common stock on the basis of one post-consolidation share for up to each 2,000 pre-consolidation shares to occur at some time within 12 months of the date of this information statement, with the exact time of the reverse split to be determined by the board of directors; and

- Approve the following Stock Plans of The Jackson Rivers Company (the

""Stock Plans""):

a) Employee Stock Incentive Plan for the Year 2004 No. 3, adopted by the directors on August 9, 2004 with 150,000,000 shares available for issuance under the Plan;

b) Non-Employee Directors and Consultants Retainer Stock Plan for the Year 2004 No. 3, adopted by the directors on August 9, 2004, with 49,000,000 shares available for issuance under the Plan;

c) Employee Stock Incentive Plan for the Year 2004 No. 4, adopted by the directors on September 8, 2004 with 400,000,000 shares available for issuance under the Plan; and

d) Non-Employee Directors and Consultants Retainer Stock Plan for the Year 2004 No. 4, adopted by the directors on September 8, 2004, with 99,000,000 shares available for issuance under the Plan

Dennis N. Lauzon, our president, chief executive officer and director, held 42,000,000 shares of our common stock and 960,000 shares of our Series A preferred stock on the record date for the above-described actions. Each share of our common stock is entitled to one vote on all matters brought before the stockholders and each share of our Series A preferred stock outstanding entitles the holder to 2,000 votes of the common stock on all matters brought before the stockholders. Therefore, Mr. Lauzon had the power to vote 1,982,000,000 shares of the common stock, which number

was sufficient to approve each of the corporate actions described above without the concurrence of any of our other stockholders.

ITEM 5. OTHER INFORMATION.

The offices located at 27 Radio Circle, Mount Kisco, NY, were closed effective April 30, 2005.

ITEM 6. EXHIBITS.

EXHIBIT NO.	IDENTIFICATION OF EXHIBIT
3.1**	Articles of Incorporation.
3.2**	Articles of Amendment to Articles of Incorporation.
3.3**	Articles of Amendment to Articles of Incorporation
3.4**	Articles of Amendment to Articles of Incorporation
3.5**	Certificate of Designation establishing our Series A Preferred Stock.
3.6**	Certificate of Designation establishing our Series B Preferred Stock.
3.7**	Amended and Restated Bylaws.
10.1**	Consulting Services Agreement.
10.2**	Technology License Agreement.
31.1*	Certification of Dennis N. Lauzon, President, Chief Executive Officer, Chief Financi and Director of The Jackson Rivers Company, pursuant to 18 U.S.C. Sec.Sec.1350, as a pursuant to Sec.Sec.302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Dennis N. Lauzon, President, Chief Executive Officer, Chief Financi and Director of The Jackson Rivers Company, pursuant to 18 U.S.C. Sec.Sec.1350, as a pursuant to Sec.Sec.906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith.
** Previously Filed

SIGNATURES

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

The Jackson Rivers Company
Dated May 23, 2005.
By /s/ Dennis N. Lauzon

Dennis N. Lauzon, President, Chief Executive Officer,
Chief Financial Officer and Director