JACKSON RIVERS CO
Form 10QSB
August 13, 2004

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 June 30, 2004.

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

For the transition period from _______ to ________

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.)
27 RADIO CIRCLE, MOUNT KISCO, NEW YORK	10549
(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 June 30, 2004, the issuer had 99,982,750 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
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS	(Unaudited) June 30, 2004	Dec
Current assets:		
Cash and cash equivalents	$ 44,995	$
Prepaid expenses and other	6,733	
Total current assets	51,728	
Property, plant and equipment, net of accumulated depreciation of $1,272 and $341 at June 30, 2004 and December 31, 2003, respectively	9,217	
Total Assets	$ 60,945	$
LIABILITIES AND (DEFICIENCY IN) STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 340,330	$

Advances from related parties	100
Total current liabilities	340,430
Commitments and contingencies	-
(Deficiency in) stockholders' equity (Note B):	
Common stock, par value; $.001, authorized 100,000,000 shares; 99,982,750 and 39,432,750 shares issued and outstanding at June 30, 2004 and December 31, 2003, respectively	99,983
Additional paid-in capital	2,165,847
Stock subscription receivable (Note B)	-
Deficit accumulated during development stage	(2,545,315)
Total (deficiency in) stockholders' equity	(279,485)
Total liabilities and (deficiency in) stockholders' equity	$ 60,945

See accompanying notes to the unaudited condensed consolidated financial information

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

	For the three months ended June 30,		For the six months ended
	2004	2003	2004
Operating expenses:			
Selling, general, and administrative	$ 737,455	$ 22,056	$ 1,477,109
Rescission of acquisition (Note D)	(1,000,000)	-	-
License fees (Note D)	250,000	-	250,000
Depreciation	524	141	931
Total operating expenses	(12,021)	22,197	1,728,040
Income (loss) from operations	12,021	(22,197)	(1,728,040)
Other income (expense):			
Other income	-	12,856	-
Interest income (expense)	(3)	-	3
Total other income (expense)	(3)	12,856	3
Net income (loss) before			

provision for income taxes	12,018	(9,341)	(1,728,037)	
Provision for income taxes	-	-	-	
Net income (loss)	$ 12,018	$ (9,341)	$ (1,728,037)	$
Earnings (losses) per share, Basic and fully diluted	$ 0.00	$ (0.00)	$ (0.02)	$
Basic and diluted weighted average number of shares outstanding	95,040,992	17,632,750	76,190,168	

See accompanying notes to the unaudited condensed consolidated financial information

THE JACKSON RIVERS COMPANY
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF (DEFICIENCY IN) STOCKHOLDERS' EQUITY
FOR THE PERIOD FROM MAY 8, 2001 (DATE OF INCEPTION) TO JUNE 30, 2004

	Common Stock	Stock Amount	Addition Paid-In Cap
BALANCE AT MAY 8, 2001	-	$ -	$
Issuance of common stock in June 2001 in exchange for cash at $.0015 per share, net of costs and fees	10,000,000	10,000	5
Net loss	-	-	
BALANCE AT DECEMBER 31, 2001	10,000,000	$10,000	$ 5
Common stock subscription in February 2002 at $0.04 per share	-	-	
Common stock subscription in March 2002 at $0.04 per share	-	-	
Issuance of common stock for common stock subscribed in February and March 2002 at $0.04 per share	1,800,000	1,800	70
Common stock subscription in April 2002	-	-	
Issuance of common stock for common stock subscribed in April 2002 at $0.04 per share	218,750	219	8
Rescission of common stock in August 2002	(62,500)	(63)	(2
Issuance of common stock in September 2002 in exchange for cash at $.04 per share, net of costs and fees	250,000	250	9
Issuance of common stock in exchange for services in September 2002 at $0.02 per share	2,500,000	2,500	47
Issuance of common stock in exchange for services in November 2002 at $0.02 per share	2,926,500	2,927	55
Net loss	-	-	
BALANCE AT DECEMBER 31, 2002	17,632,750	$17,633	$ 194
Issuance of common stock in exchange for services in August 2003 at $0.03 per share	3,000,000	3,000	87

Issuance of common stock in exchange for options exercised in August 2003 at approximately $0.03 per share	1,200,000	1,200	31
Issuance of common stock in exchange for services in September 2003 at $0.06 per share	800,000	800	47
Issuance of common stock in exchange for options exercised in September 2003 at approximately $0.05 per share	600,000	600	30
Issuance of common stock in exchange for options exercised in October 2003 at approximately $0.06 per share	1,500,000	1,500	87
Issuance of common stock in exchange for options exercised in October 2003 at approximately $0.03 per share	1,500,000	1,500	49
Issuance of common stock in exchange for services in November 2003 at $0.04 per share	3,000,000	3,000	117
Issuance of common stock in exchange for options exercised in November 2003 at approximately $0.03 per share	1,500,000	1,500	36
Issuance of common stock in exchange for services in December 2003 at $0.03 per share	1,200,000	1,200	34
Issuance of common stock in exchange for options exercised in December 2003 at approximately $0.03 per share	1,000,000	1,000	24
Issuance of common stock in exchange for options exercised in December 2003 at approximately $0.01 per share	6,500,000	6,500	104
Net loss	-	-	
BALANCE AT DECEMBER 31, 2003	39,432,750	$39,433	$ 843

	Accumulated Deficit	Total
BALANCE AT MAY 8, 2001	$ -	$ -
Issuance of common stock in June 2001 in exchange for cash at $.0015 per share, net of costs and fees	-	15,000
Net loss	(14,482)	(14,482)
BALANCE AT DECEMBER 31, 2001	$ (14,482)	$ 518
Common stock subscription in February 2002 at $0.04 per share	-	42,500
Common stock subscription in March 2002 at $0.04 per share	-	29,500
Issuance of common stock for common stock subscribed in February and March 2002 at $0.04 per share	-	-
Common stock subscription in April 2002	-	8,750
Issuance of common stock for common stock subscribed in April 2002 at $0.04 per share	-	-
Rescission of common stock in August 2002	-	(2,500)
Issuance of common stock in September 2002 in exchange for cash at $.04 per share, net of costs and fees	-	10,000
Issuance of common stock in exchange for services in September 2002 at $0.02 per share	-	50,000
Issuance of common stock in exchange for services in November 2002 at $0.02 per share	-	58,530
Net loss	(173,061)	(173,061)
BALANCE AT DECEMBER 31, 2002	$ (187,543)	$ 24,237
Issuance of common stock in exchange for services in August 2003 at $0.03 per share	-	90,000
Issuance of common stock in exchange for options exercised in August 2003 at approximately $0.03 per share	-	32,299
Issuance of common stock in exchange for services in		

September 2003 at $0.06 per share	-	48,000
Issuance of common stock in exchange for options exercised in September 2003 at approximately $0.05 per share	-	30,600
Issuance of common stock in exchange for options exercised in October 2003 at approximately $0.06 per share	-	89,251
Issuance of common stock in exchange for options exercised in October 2003 at approximately $0.03 per share	-	51,000
Issuance of common stock in exchange for services in November 2003 at $0.04 per share	-	120,000
Issuance of common stock in exchange for options exercised in November 2003 at approximately $0.03 per share	-	38,250
Issuance of common stock in exchange for services in December 2003 at $0.03 per share	-	36,000
Issuance of common stock in exchange for options exercised in December 2003 at approximately $0.03 per share	-	25,500
Issuance of common stock in exchange for options exercised in December 2003 at approximately $0.01 per share	-	51,000
Net loss	(629,735)	(629,735)
BALANCE AT DECEMBER 31, 2003	$ (817,278)	$ 6,402

See accompanying notes to the unaudited condensed consolidated financial information

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THE JACKSON RIVERS COMPANY
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF (DEFICIENCY IN) STOCKHOLDERS' EQUITY (C
FOR THE PERIOD FROM MAY 8, 2001 (DATE OF INCEPTION) TO JUNE 30, 200

	Common Stock	Stock Amount	Additional Paid-In Capital
BALANCE FORWARD	39,432,750	$39,433	$ 843,747
Issuance of common stock in exchange for options exercised in January 2004 at approximately $0.02 per share	6,000,000	6,000	114,000
Issuance of common stock in exchange for services in January 2004 at $0.02 per share	3,000,000	3,000	57,000
Issuance of common stock in exchange for options exercised in February 2004 at approximately $0.02 per share	15,000,000	15,000	225,000
Issuance of common stock in exchange for services in March 2004 at $0.05 per share	4,000,000	4,000	196,000
Issuance of common stock in exchange for options exercised in March 2004 at approximately $0.01 per share	12,000,000	12,000	138,000
Employee compensation and proceeds received for common stock subscribed in December 2003	-	-	-
Issuance of common stock in exchange for options exercised in April 2004 at approximately $0.03 per share	13,500,000	13,500	391,500
Issuance of common stock in exchange for services in April 2004 at $0.03 per share	6,500,000	6,500	188,500
Issuance of common stock in exchange for services in May 2004 at approximately $0.02 per share	550,000	550	12,100
Net loss	-	-	-

BALANCE AT JUNE 30, 2004	99,982,750	$99,983	$ 2,165,847

	Total
BALANCE FORWARD	$ 6,402
Issuance of common stock in exchange for options exercised in January 2004 at approximately $0.02 per share	120,000
Issuance of common stock in exchange for services in January 2004 at $0.02 per share	60,000
Issuance of common stock in exchange for options exercised in February 2004 at approximately $0.02 per share	240,000
Issuance of common stock in exchange for services in March 2004 at $0.05 per share	200,000
Issuance of common stock in exchange for options exercised in March 2004 at approximately $0.01 per share	150,000
Employee compensation and proceeds received for common stock subscribed in December 2003	59,500
Issuance of common stock in exchange for options exercised in April 2004 at approximately $0.03 per share	405,000
Issuance of common stock in exchange for services in April 2004 at $0.03 per share	195,000
Issuance of common stock in exchange for services in May 2004 at approximately $0.02 per share	12,650
Net loss	(1,728,037)
BALANCE AT JUNE 30, 2004	$ (279,485)

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

For the six months ended Jun

CASH FLOW FROM OPERATING ACTIVITIES:	2004	2003
Net loss from operation	$ (1,728,037)	$
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	931	
Common stock issued in exchange for consulting services rendered (Note B)	467,650	

Common stock issued in exchange for employee services rendered and related transaction costs (Note B and C)	261,928	
Employee compensation and transaction costs in connection with common stock subscribed (Note B)	6,373	
Loss from disposal of equipment	-	
(Increase) decrease in prepaid expenses and other	(3,278)	
Increase (decrease) in accounts payable and accrued liabilities	324,801	
Net cash (used in) operating activities	(669,632)	
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(6,392)	
Net cash (used in) investing activities	(6,392)	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from related party advances	-	
Proceeds from the sale of common stock, net of costs and fees (Note B)	706,199	
Net cash provided by financing activities	706,199	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	30,175	
Cash and cash equivalents at beginning of period	14,820	
Cash and cash equivalents at end of period	$ 44,995	$
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 (Note B)	467,650	
Common stock issued in exchange for employee services rendered and related transaction costs (Note B and C)	261,928	
Employee compensation and transaction costs in connection with common stock subscribed (Note B)	6,373	
Employee stock purchase plan:		
Common stock issued under employee stock purchase plan	915,000	
Less: stock subscription receivable	-	
Add: proceeds received from common stock subscribed	53,127	
Less: common stock retained by employees and related transaction costs	(261,928)	
Net proceeds from the sale of common stock	$ 706,199	$

See accompanying notes to the unaudited condensed consolidated financial information

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THE JACKSON RIVERS COMPANY
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION
JUNE 30, 2004
(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 six-month period ended June 30, 2004, are not necessarily indicative of the results that may be expected for the year ended December 31, 2004. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated December 31, 2003 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 does not presently conduct business operations and is in the process of raising capital and financing for its future operations.

The Company is in the development stage, as defined by Statement of Financial Accounting Standards No. 7 ("SFAS No. 7"). To date, the Company has generated no sales revenues, has incurred expenses and has sustained losses. Consequently, its operations are subject to all the risks inherent in the establishment of a new business enterprise. For the period from inception through June 30, 2004, the Company has accumulated losses of $2,545,315.

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, 2003 and will adopt the interim disclosure provisions for its financial reports for the subsequent periods. The Company has no awards of stock-based employee compensation outstanding at June 30, 2004.

THE JACKSON RIVERS COMPANY
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION
JUNE 30, 2004
(UNAUDITED)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 of $.001 per share. As of June 30, 2004 and December 31, 2003, the Company has 99,982,750 and 39,432,750 shares of common stock issued and outstanding.

In June 2001, the Company issued an aggregate of 10,000,000 shares of common stock to founders in exchange for $15,000 of cash, net of costs and fees.

On February 8, 2002, the Company's registration statement became effective. The statement provided for the utilization of an escrow agent for the proceeds of an offering of common stock, pending the sale of the minimum number of shares (15,000,000). However, the bank which the Company believed had committed to serve as escrow agent eventually declined to serve due to the small size of the offering. The Company revised the subscription agreement, accepted subscriptions made payable to the Company (instead of the escrow agent), and deposited subscription funds received into the Company's operating account. The Company then issued shares of stock to subscribers prior to receiving subscriptions for the stated minimum of 15,000,000 shares. Management corrected the subscription acceptance errors by closing the offering and extending a rescission offer to all investors. A total of three investors accepted the rescission offer; the investors' shares certificates were returned to the Company and cancelled, and a total of $2,500 was refunded to the investors (representing a total of 62,500 shares of common stock). As of December 31, 2002, the rescission offer had expired according to its express terms and no further requests will be honored.

During the year ended December 31, 2002, the Company received a total of $80,750 in deposits on thirty-seven subscription agreements for the purchase of an aggregate of 2,018,750 shares of common stock at $0.04 per share. As of December 31, 2002, the Company had received payment in full and had issued the shares related to these subscriptions.

In September 2002, the Company issued an aggregate of 250,000 shares of common stock to sophisticated investors for $10,000 of cash, net of costs and fees.

In September 2002, the Company issued an aggregate of 2,500,000 shares of common stock to consultants in exchange for $50,000 of services rendered, which approximated the fair value of the shares issued during the period the services were rendered.

In November 2002, the Company issued an aggregate of 2,926,500 shares of common stock to consultants in exchange for $58,530 of services rendered, which approximated the fair value of the shares issued during the period the services were rendered.

In June 2003, the former majority shareholder sold his 10,000,000 shares of common stock to twelve investors in a private sale. As a result of this change in ownership, a change in control was deemed to have occurred. The new shareholder, an individual, was elected president of the Company and the former majority shareholder resigned from the Company's board of directors.

NOTE B - CAPITAL STOCK (CONTINUED)

In August 2003, the Company issued an aggregate of 3,000,000 shares of common stock to consultants in exchange for $90,000 of services rendered, which approximated the fair value of the shares issued during the period the services were rendered.

In September 2003, the Company issued an aggregate of 800,000 shares of common stock to consultants in exchange for $48,000 of services rendered, which approximated the fair value of the shares issued during the period the services were rendered.

In November 2003, the Company issued an aggregate of 3,000,000 shares of common stock to consultants in exchange for $120,000 of services rendered, which approximated the fair value of the shares issued during the period the services were rendered.

In December 2003, the Company issued an aggregate of 1,200,000 shares of common stock to consultants in exchange for $36,000 of services rendered, which approximated the fair value of the shares issued during the period the services were rendered.

From August to December 2003, the Company issued an aggregate of 13,800,000 shares of common stock to employees for stock options exercised at a price ranging from $0.02 to $0.06 per share for a total of $377,400. The Company received $250,276 of proceeds, net of costs and fees. Stock subscription of $59,500 is due to the Company and compensation expenses of $67,624 were charged to income during the year ended December 31, 2003.

In January 2004, the Company received $53,127 of proceeds for the $59,500 of common stock subscribed in December 2003, the remaining balance of $6,373 was charged to operations as compensation and transaction costs in January 2004.

In January 2004, the Company issued an aggregate of 3,000,000 shares of common stock to consultants in exchange for $60,000 of services rendered, which approximated the fair value of the shares issued during the period the services were rendered.

In March 2004, the Company issued an aggregate of 4,000,000 shares of common stock to consultants in exchange for $200,000 of services rendered, which approximated the fair value of the shares issued during the period the services were rendered.

In April 2004, the Company issued an aggregate of 6,500,000 shares of common stock to an officer and consultants in exchange for $195,000 of services rendered, which approximated the fair value of the shares issued during the period the services were rendered.

In May 2004, the Company issued an aggregate of 550,000 shares of common stock to consultants in exchange for $12,650 of services rendered, which approximated the fair value of the shares issued during the period the services were rendered.

THE JACKSON RIVERS COMPANY
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION
JUNE 30, 2004
(UNAUDITED)

NOTE B - CAPITAL STOCK (CONTINUED)

From January to June 2004, the Company issued an aggregate of 46,500,000 shares of common stock to employees for stock options exercised at a price ranging from $0.01 to $0.03 per share for a total of $915,000 (Note C). The Company received $653,072 of proceeds, net of costs and fees, and compensation expense of $261,928 were charged to operations during the period ended June 30, 2004.

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 maximum number of shares of common stock that may be awarded or issued under the Plan is 17,000,000. The Plan will be administered by a Compensation Committee (the "Committee") appointed by the board of directors of the Company. 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.

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. During the period ended June 30, 2004, an aggregate of 46,500,000 options were granted and all options were exercised on the grant date. There are no stock options outstanding as of June 30, 2004.

NOTE D - ACQUISITION AND RESCISSION OF ACQUISITION AGREEMENT

In February 2004, the Company and its wholly owned subsidiary, Jackson Rivers Technologies, Inc., ("JRT") entered into an LLC Interest Purchase Agreement with Multitrade Technologies LLC, a Delaware limited liability company ("MTT") pursuant to which JRT purchased all of the assets of MTT which were related to MTT's business of software development and the licensing to sell the software (the "Acquisition").

MTT has no significant assets and the total consideration to be paid by the Company in connection with the Acquisition consisted of 20,000,000 shares of the Company's restricted common stock valued at $1,000,000. During the three- month period ended March 31, 2004, the Company has accounted the shares to be issued as common stock subscription payable and acquisition costs of $1,000,000 were charged to operations.

In connection with the Agreement to acquire MTT, the Company was also obligated to issue 80,000,000 shares of the Company's restricted common stock to the Company's President once such shares become available after the Company increases its authorized shares.
In June 2004, the Company and JRT rescinded the Acquisition and entered into a Technology License Agreement ("Agreement") with MTT, whereby the Company has the exclusive, worldwide sublicense to commercialize certain software technologies from MTT. The Company and JRT also rescinded the previous arrangement in connection with the Acquisition of issuing 80,000,000 shares of its common stock to the Company's President.

Pursuant to the Agreement, the Company will make a one-time cash payment to MTT in the amount of $200,000 and a one-time cash payment of $50,000 to the Company's President. As of June 30, 2004, the Company charged the $250,000 of fees to operations. The fees are unpaid and are included in accrued liabilities as of June 30, 2004.
In connection with the Agreement, the Company is also obligated to pay to MTT $20,000 per month of royalty and sales support fees during the first year of the Agreement. Unpaid royalty and sales support fees at June 30, 2004 included in accrued liabilities were $35,000.

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

FORWARD-LOOKING INFORMATION

Forward Looking Statements

This report may contain "forward-looking statements," which represent the Company's expectations or beliefs, including, but not limited to, statements concerning industry performance and the Company's results, operations, performance, financial condition, plans, growth and strategies, which include, without limitation, statements preceded or followed by or that include the words "may," "will," "expect," "anticipate," "intend," "could," "estimate," or "continue" or the negative or other variations thereof or comparable terminology. Any statements contained in this report or the information incorporated by reference that are not statements of historical fact may be deemed to be forward-looking statements within the meaning of Section 27(A) of the Securities Act of 1933 and Section 21(F) of the Securities Exchange Act of 1934. For such statements, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. These statements by their nature involve substantial risks and uncertainties, some of which are beyond the Company's control, and actual results may differ materially depending on a variety of important factors, many of which are also beyond the

Company's control. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. The Company does not undertake any obligation to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events, except to the extent such updates and/or revisions are required by applicable law.

MANAGEMENT'S PLAN OF OPERATION

We were originally organized to provide short-term loans to consumers wishing to finance funeral arrangements for their deceased loved ones, while payment of benefits from insurance companies on the lives of the deceased were pending. Due to a change in control of our company and because of the difficulty in securing a line of credit or other sources of funding to establish a loan portfolio large enough to support our operations and return a profit, we abandoned our plans to pursue short-term financing of funeral arrangements.

We have now entered the business of providing customized information management systems. On June 23, 2004, we entered into a Technology License Agreement with Multitrade Technologies LLC, a Delaware limited liability company ("MTT"), effective February 24, 2004, whereby we now have the exclusive, worldwide sublicense to commercialize products using the STEPS(C) platform from MTT. STEPS(C) (Straight Through Enterprise Processing Systems) is a proprietary Java-based platform, built on patented technology, used to create customized business management applications and information management systems. The sublicensing of the software technologies from MTT will allow us to develop the licensed product and expand our customer base and operations.

We expect to provide innovative solutions for integrating financial and customer information, managing manufacturing processes, reducing inventory and standardizing human resource information. We plan to market our business management software development platform throughout the United States, Mexico and Canada by utilizing various business software developers, solutions providers and system integrators. Our clients, the solutions providers, are expected to develop customized business applications, using the STEPS platform, for their clients in less time and with fewer programming, database management, and development resources. We hope to expand our client base and win market share by offering established experts in the various business functions such as supply-chain management and customer relations management to bundle their expertise with our development platform to deliver highly effective business management applications. Our technology subsidiary, Jackson Rivers Technologies (JRT), plans to introduce its STEPS(TM) ERP software solution to United States and Canadian markets. We have identified a highly focused market niche for our initial STEPS roll-out, secured a strong intellectual property position, and retained an international marketing firm to define the STEPS solution and create industry awareness.

Because we lack capital, an investment in us involves a very high degree of risk. To date, the Company has generated no sales revenues, has incurred expenses and has sustained losses. We believe we will begin earning revenues from operations in the last six months of our current fiscal year , as the Company transitions from a development stage company to that of an active growth and acquisition stage company.

THREE AND SIX MONTHS COSTS AND CHANGES IN FINANCIAL CONDITIONS

As of the date of this report, our subsidiary, JRT, has engaged in business activities which we expect will provide cash flow in the third quarter of 2004. However, as of June 30, 2004,, no revenues have been recorded from JRT's operations.

RESULTS OF OPERATIONS

During the three and six months ended June 30, 2004, we incurred an operating income of $12,018 and operating loss of $1,728,037, respectively, and generated no revenues. The loss consists of sales, marketing, general, and administrative expenses. During the three months ended June 30, 2004, we incurred selling, general, and administrative expenses of $737,455. However, in connection with the rescission of acquisition of MTT in June 2004, we reversed $1,000,000 of acquisition costs recorded in the first quarter 2004, and instead recognized $250,000 of license fees pursuant to our new agreement with MTT.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2004, our current liabilities exceeded current assets in the amount of $288,702. We generated a cash flow deficit from operations of $669,632 for the six months ended June 30, 2004. Cash flow deficits from operating activities for the six months ended June 30, 2004 is primarily attributable to our net loss from operations of $1,728,037 adjusted primarily for $729,578 of common stock issued to consultants and employees in exchange for compensation, and approximately $320,000 of increase in accounts payable and liabilities.

Cash flow provided from financing activities was $706,199 for the six months ended June 30, 2004. This was mainly from proceeds of sales of common stock, net of costs and fees during this period. All proceeds were used for working capital.

As discussed by our accountants in the audited financial statements included in Item 7 of our Annual Report on Form 10-KSB, our revenue is currently insufficient to cover our costs and expenses We anticipate raising any necessary capital from outside investors coupled with bank or mezzanine lenders.

As of the date of this report, we have not entered into any negotiations with any third parties to provide such capital.

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.

By adjusting our operations and development to the level of capitalization, we believe we have sufficient capital resources to meet projected cash flow deficits through the next 12 months. However, if thereafter we are not successful in generating sufficient liquidity from operations or in raising sufficient capital resources, on terms acceptable to us, there could be a material adverse effect on our business, results of operations, liquidity and financial condition. We will continue to evaluate opportunities for corporate development. Subject to our ability to obtain adequate financing at the applicable time, we may enter into definitive agreements on one or more of those opportunities.

Our independent certified public accountants have stated in their report included in our December 31, 2003 Form 10-KSB, that we have incurred operating losses in the last two years, and that we are dependent upon management's ability to develop profitable operations. These factors among others may raise substantial doubt about our ability to continue as a going concern.

RECENT DEVELOPMENTS

On February 24, 2004, as previously reported by us, we entered into an Amended LLC Interest Purchase Agreement with Multitrade Technologies LLC, a Delaware limited liability company ("MTT") and Joseph Khan, the sole owner of MTT.

On June 23, 2004, we announced that our board of directors formally rescinded the previously announced Amended LLC Interest Purchase Agreement with

MTT and Joseph Khan, dated February 24, 2004. The rescission was the result of our board's decision that the LLC interest purchase transaction, as originally planned, was not in the best interests of our shareholders.

In lieu of purchasing the LLC interest from MTT, we and Jackson Rivers Technologies, Inc., our wholly-owned subsidiary ("JRT"), entered into a Technology License Agreement with MTT, effective February 24, 2004, whereby we now have the exclusive, worldwide sublicense to commercialize certain software technologies from MTT. MTT is currently licensing the software technologies which are the subject of the Technology License Agreement from Kisnet Corporation.

On June 23, 2004, our board of directors also formally rescinded its previously announced plans to issue 80,000,000 shares of our common stock to Dennis N. Lauzon in exchange for the contribution by Mr. Lauzon of all of the issued and outstanding shares in JRC Global Products, Inc., and JRT, owned by him. We will still accept the contribution of all of Mr. Lauzon's issued and outstanding shares in JRC Global Products, Inc. and JRT, but no shares of our stock will be issued to Mr. Lauzon in consideration for such contribution. Instead, we will pay Mr. Lauzon a one-time cash payment of $50,000. This payment will represent his contribution of his personally owned shares in JRT and JRC Global Products and for his negotiating services for the Technology License Agreement between MTT, JRT, and Jackson Rivers Company.

The consideration for the rights granted by MTT to us and JRT under the Technology License Agreement will be paid in the form of a one-time non-refundable cash payment in the amount of $200,000.00 to be delivered by us to MTT. In addition, we will pay to MTT the fees as set forth in Section VIII of the Kisnet-MTT Exclusive Distribution Agreement for STEPS(C), attached to the Technology License Agreement, which is an exhibit to this Quarterly Report on Form 10-QSB.

The initial term of the Technology License Agreement shall be one year from the Effective Date of February 24, 2004. Thereafter the Technology License Agreement will automatically renew each year for a total term of five years unless terminated as specified in the Termination section XI of the Kisnet-MTT Exclusive Distribution agreement for STEPS(C).

Following the closing of the LLC interest purchase transaction, our president, Dennis N. Lauzon, was elected as the chairman of the board of Jackson Rivers Technologies, responsible for sales and marketing, and Mr. Khan was elected president and chief executive officer, responsible for product delivery and strategic alliances.

On July 20, 2004, JRC announced new developments relating to Jackson Rivers Technologies (JRT) to relay to the public that JRT will initially market its open-architecture STEPS ERP solution to small-and medium-sized enterprises (SMEs) in the Logistics, Distribution and Supply-Chain Management sector in the United States and Canada. JRT is now moving to finalize the functional specification for this application and recruit additional domain expertise. As reported in previous public announcements, a STEPS ERP solution has already successfully penetrated the distribution/logistics sector in the Latin American market.

Also announced on July 20, in order to provide strategic product positioning and market awareness, we have retained McQuerter, Inc., a San Diego-based international marketing firm that specializes in introducing innovative technology platforms to business-to-consumer and business-to-business enterprises.

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.

As of the date of this report, we are not involved in any legal proceedings.

ITEM 2. CHANGES IN SECURITIES.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

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

None.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits.

EXHIBIT NO.	IDENTIFICATION OF EXHIBIT
3.1**	Articles of Incorporation
3.2**	Bylaws
10.1**	Technology License Agreement.
31.1*	Certification of Dennis N. Lauzon, Chief Executive Officer of The Jackson Rivers Com pursuant to 18 U.S.C. Sec.1350, as adopted pursuant to Sec.302 of the Sarbanes-Oxley 2002.
31.2*	Certification of Dennis N. Lauzon, Chief Financial Officer of The Jackson Rivers Com pursuant to 18 U.S.C. Sec.1350, as adopted pursuant to Sec.302 of the Sarbanes-Oxley 2002.
32.1*	Certification of Dennis N. Lauzon, Chief Executive Officer of The Jackson Rivers Com pursuant to 18 U.S.C. Sec.1350, as adopted pursuant to Sec.906 of the Sarbanes-Oxley 2002.
32.2*	Certification of Dennis N. Lauzon, Chief Financial Officer of The Jackson Rivers Com pursuant to 18 U.S.C. Sec.1350, as adopted pursuant to Sec.906 of the Sarbanes-Oxley 2002

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* Filed herewith.

** Previously filed.

(b) Reports on Form 8-K.

On May 12, 2004, we filed a Current Report on Form 8-K, reporting the execution of the Amended LLC Interest Purchase Agreement between us, Jackson Rivers Technologies, Inc., a Nevada corporations, Joseph Khan and Multitrade Technologies, LLC ("MTT").

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As the acquired assets did not meet the minimum significance tests under Regulation S X, financial statements regarding the acquired assets were not required to be provided.

On June 23, 2004, we filed an Amended Current Report on Form 8-K/A reporting the rescission of the Amended LLC Interest Purchase Agreement between us, Jackson Rivers Technologies, Inc., Joseph Khan and MTT, the cancellation of the plans to issue 80,000,000 shares of our common stock to Dennis N. Lauzon in exchange for Dennis N. Lauzon's contribution of his shares in JRC Global Products, Inc., and JRT, owned by him, and the Technology License Agreement between us, MTT and JRT.

On June 28, 2004, we filed an Amended Current Report on Form 8-K/A reporting the revisions in the consideration to be paid to MTT in connection with the Technology License Agreement between us, MTT and JRT

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: August 13, 2004

By /s/ Dennis N. Lauzon

Dennis N. Lauzon,
President and Chief Executive Officer