

E-SMART TECHNOLOGIES INC  
Form 10QSB/A  
November 20, 2007  
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## U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

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### Form 10-QSB

### (Amendment No. 1)

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(Mark One)

- Quarterly report under section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended: **June 30, 2006**
- Transition report under section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File No: 0-30717

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## e-SMART TECHNOLOGIES, INC.

(Name of small business in its charter)

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Nevada  
(State or other jurisdiction of incorporation)

526 West 26<sup>th</sup> Street, Suite 710, New York, NY 10001

88-0409261  
(IRS Employer Id. No.)

(Address of Principal Office including Zip Code)

Issuer's telephone Number: (212) 727-3790

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Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

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State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

Common Stock, \$.001 par value, **200,000,000 shares** at June 30, 2006.

Transitional Small Business Disclosure Format (Check one): Yes  No

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e-SMART TECHNOLOGIES, INC. & SUBSIDIARIES

FORM 10-QSB - QUARTER ENDED JUNE 30, 2006

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**PART I - FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

The unaudited condensed consolidated balance sheet of the Registrant at June 30, 2006, the audited balance sheet at December 31, 2005, and the unaudited condensed consolidated statements of operations, shareholders' equity (deficiency), and cash flows for the six months and three months ended June 30, 2006 and June 30, 2005 follow. The unaudited condensed consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary to a fair statement of the results for the periods presented.

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e-SMART TECHNOLOGIES, INC. & SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

|   | <i>[Unaudited]</i><br>June 30, | <i>[Audited]</i><br>December 31, |
|---|--------------------------------|----------------------------------|
|   | 2006                           | 2005                             |
| <b>Assets</b>   |                                |                                  |
| Current assets -  |                                |                                  |
| Cash  | \$ 399,149                     | \$ 164,584                       |
| Prepaid expenses  | 6,385                          | 2,692                            |
| <b>Total current assets</b>   | <b>405,534</b>                 | <b>167,276</b>                   |
| Equipment, net  | 50,370                         | 44,701                           |
| License of Super Smart Card technology, net   | 96,075                         | 99,290                           |
| Officers' advances  | 19,985                         | 51,674                           |
| Lease deposits  | 81,319                         | 73,484                           |
| <b>Total assets</b>   | <b>\$ 653,283</b>              | <b>\$ 436,425</b>                |
| <b>Liabilities and Shareholders' Equity (Deficiency)</b>                                    |                                |                                  |
| Current liabilities -   |                                |                                  |
| Accounts payable  | \$ 811,494                     | \$ 640,197                       |
| Note payable - IVI Smart Technologies, Inc., a related party                                | 450,000                        | 450,000                          |
| Notes payable - others  | 47,500                         | 47,500                           |
| Due Associated Business Group, a related party  | 12,427                         | 12,427                           |
| Accrued officers' compensation  | 448,870                        | 371,060                          |
| Accrued expenses  | 272,093                        | 170,932                          |
| <b>Total current liabilities</b>  | <b>2,042,384</b>               | <b>1,692,116</b>                 |
| Note payable - IVI Smart Technologies, Inc., a related party                                | 4,269,855                      | 2,274,722                        |
| <b>Total liabilities</b>  | <b>6,312,239</b>               | <b>3,966,838</b>                 |
| Shareholders' Equity (Deficiency) -   |                                |                                  |
| Common stock, \$.001 par, 200,000,000 shares authorized, 200,000,000 issued and outstanding | 200,000                        | 200,000                          |
| Additional paid in capital  | 63,777,497                     | 63,777,497                       |
| Retained earnings (deficiency)  | (69,636,453)                   | (67,507,910)                     |
| <b>Total shareholders' equity (deficiency)</b>  | <b>(5,658,956)</b>             | <b>(3,530,413)</b>               |
| <b>Total liabilities and shareholders' equity (deficiency)</b>                              | <b>\$ 653,283</b>              | <b>\$ 436,425</b>                |

See notes to condensed consolidated financial statements.

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## e-SMART TECHNOLOGIES, INC. &amp; SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

*[Unaudited]*

|   | Six Months Ended June 30, |                | Three Months Ended June 30, |                | January 1,      |
|---|---------------------------|----------------|-----------------------------|----------------|-----------------|
|   | 2006                      | 2005           | 2006                        | 2005           | 2001            |
| Net Revenue   | \$                        | \$             | \$                          | \$             |                 |
| Cost of revenue                                     |                           |                |                             |                |                 |
| Gross profit  |                           |                |                             |                |                 |
| Operating expenses:                                 |                           |                |                             |                |                 |
| Research and development                            | 327,574                   | 507,239        | 175,099                     | 428,516        | 14,894,308      |
| General and administrative                          | 1,698,461                 | 1,574,714      | 880,946                     | 862,602        | 54,458,584      |
| Interest  | 101,008                   | 45,640         | 55,000                      | 25,225         | 275,761         |
| Total operating expenses                            | 2,127,043                 | 2,127,593      | 1,111,045                   | 1,316,343      | 69,628,653      |
| Loss before taxes                                   | (2,127,043)               | (2,127,593)    | (1,111,045)                 | (1,316,343)    | (69,628,653)    |
| Provision for taxes                                 | 1,500                     | 650            | 460                         | 400            | 7,800           |
| Net Loss  | \$ (2,128,543)            | \$ (2,128,243) | \$ (1,111,505)              | \$ (1,316,743) | \$ (69,636,453) |
| Net loss per common share - basic and fully-diluted | \$ (0.01)                 | \$ (0.01)      | \$ (0.00)                   | \$ (0.00)      | \$ (0.45)       |
| Weighted average common shares outstanding          | 200,000,000               | 180,346,118    | 200,000,000                 | 185,453,748    | 155,465,824     |

See notes to condensed consolidated financial statements.

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e-SMART TECHNOLOGIES, INC. & SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENT OF  
 SHAREHOLDERS' EQUITY (DEFICIENCY)

|                            | Common Stock |            | Additional         |                        | Total          |
|----------------------------|--------------|------------|--------------------|------------------------|----------------|
|                            | Shares       | Amount     | Paid-in<br>Capital | Accumulated<br>Deficit |                |
| <i>Audited</i>             |              |            |                    |                        |                |
| Balance, January 1, 2005   | 173,535,944  | \$ 173,536 | \$ 61,053,801      | \$ (62,642,602)        | \$ (1,415,265) |
| Shares issued for cash     | 26,464,056   | 26,464     | 2,723,696          |                        | 2,750,160      |
| Net loss                   |              |            |                    | (4,865,308)            | (4,865,308)    |
| Balance, December 31, 2005 | 200,000,000  | 200,000    | 63,777,497         | (67,507,910)           | (3,530,413)    |
| <i>Unaudited</i>           |              |            |                    |                        |                |
| Balance January 1, 2006    | 200,000,000  | 200,000    | 63,777,497         | (67,507,910)           | (3,530,413)    |
| Net loss                   |              |            |                    | (2,128,543)            | (2,128,543)    |
| Balance, June 30, 2006     | 200,000,000  | \$ 200,000 | \$ 63,777,497      | \$ (69,636,453)        | \$ (5,658,956) |

See notes to condensed consolidated financial statements.

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## e-SMART TECHNOLOGIES, INC. &amp; SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

*[Unaudited]*

|   | 2006               | 2005               | 2006   |
|---|--------------------|--------------------|--|
|   |                    |                    | <b>January 1,<br/>2001</b>                           |
|   |                    |                    | <b>(inception of<br/>operations) to<br/>June 30,</b> |
| Cash flows from Operating Activities -                                      |                    |                    |  |
| Net loss  | \$ (2,128,543)     | \$ (2,128,243)     | \$ (69,636,453)                                      |
| Adjustments to reconcile net loss to net cash used in operating activities: |                    |                    |  |
| Issuance of common stock and common stock options for services              |                    |                    | 55,812,844   |
| Depreciation and amortization   | 8,256              | 13,078             | 61,608   |
| Bad debt expense  |                    |                    | 312,505  |
| Changes in Assets and Liabilities -   |                    |                    |  |
| (Increase) decrease in prepaid expenses                                     | (3,693)            | 1,793              | (6,385)  |
| (Increase) decrease in officers advances                                    | 31,689             |                    | (19,985)   |
| (Increase) decrease in deposits   |                    |                    | (73,484)   |
| Increase (decrease) in accounts payable                                     | 171,297            | (83,198)           | 811,494  |
| Increase in accrued expenses  | 178,971            | 143,461            | 720,963  |
| <b>Net Cash Used in Operating Activities</b>                                | <b>(1,742,023)</b> | <b>(2,053,109)</b> | <b>(12,016,893)</b>                                  |
| Cash Flows from Investing Activities -                                      |                    |                    |  |
| Acquisition of equipment  | (10,710)           | (6,582)            | (79,453)   |
| Cash used for intangible asset  |                    |                    | (128,600)  |
| Advances to Biosensor, LLC  |                    |                    | (312,505)  |
| Increase in lease deposit   | (7,835)            | (1,861)            | (7,835)  |
| <b>Net Cash Used in Investing Activities</b>                                | <b>(18,545)</b>    | <b>(8,443)</b>     | <b>(528,393)</b>                                     |
| Cash Flows from Financing Activities -                                      |                    |                    |  |
| Advances from IVI Smart Technologies, Inc., a related party                 | 1,995,133          | 703,144            | 5,387,688  |
| Proceeds from other borrowings, net   |                    | (30,000)           | 47,500   |
| Proceeds from sale of common shares   |                    | 1,403,254          | 7,509,247  |
| <b>Net Cash Provided by Financing Activities</b>                            | <b>1,995,133</b>   | <b>2,076,398</b>   | <b>12,944,435</b>                                    |
| <b>Net Increase (decrease) in Cash</b>                                      | <b>234,565</b>     | <b>14,846</b>      | <b>399,149</b>                                       |
| Cash at Beginning of Period   | 164,584            | 42,857             |  |
| <b>Cash at End of Period</b>  | <b>\$ 399,149</b>  | <b>\$ 57,703</b>   | <b>\$ 399,149</b>                                    |

See notes to condensed consolidated financial statements.





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e-SMART TECHNOLOGIES, INC. & SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**Note 1 Basis of Presentation**

The Company has been in the development stage since the commencement of its operations on January 1, 2001. The accompanying unaudited consolidated financial statements include the accounts of the Registrant and those of its wholly-owned subsidiaries e-Smart Korea, Inc. and e-Smart Systems, Inc., and have been prepared in accordance with generally accepted accounting principles for interim financial information. 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. Operating results for the six month and three month periods ended June 30, 2006 and 2005, are not necessarily indicative of the results that may be expected for the respective years ended December 31, 2006 and 2005.

The unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements and related footnotes included in the Registrant's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2005, as amended April 30, 2007, supplemented by the notes included herein.

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.

Certain prior year amounts disclosed in the accompanying financial statements and notes thereto have been reclassified to conform to the current period's presentation.

**Note 2 Letter of Comment**

From time to time the Staff of the Securities and Exchange Commission's Division of Corporate Finance may examine the periodic reports of a Registrant for compliance and form (Letter of Comment). In January 2006, the Company received a Letter of Comment relating to its Annual Report on Form 10-KSB for the year ended December 31, 2004, its Quarterly Reports on Form 10-QSB for the quarters ending March 31, June 30, and September 30, 2005, and its Form 8-K Reports filed August 4, and November 21, 2005. In February 2006, the Company filed a preliminary response to the Letter of Comment and is continuing on an ongoing basis to address all issues raised by comment letters including filing amended quarterly and annual reports as appropriate.

**Note 3 Related Party Transactions**

Pursuant to the Company's Planned Reorganization and subject to the filing of an Amendment increasing its authorized common shares, approximately 68% of the Registrant's outstanding common shares are owned by IVI Smart Technologies, Inc., a Delaware corporation (the Licensor), that is the sole owner of the Super Smart Card technology which has been licensed to the Registrant

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for a 20-year term for commercialization throughout China, the remainder of Asia exclusive of China, and the United States of America, respectively. In addition, the Licensor has advanced the Registrant at various dates throughout 2006 and 2005 an aggregate of \$4,269,855 in 6% term notes and \$450,000 in 5% demand notes at June 30, 2006.

Mary A. Grace, the Registrant's President and Chief Executive Officer, is a director, executive officer and principal stockholder of the Licensor. Tamio Saito, our chief inventor, is also a principal stockholder of the Licensor. The Licensor is in a position to materially influence the direction of the Registrant, its efforts in raising the additional capital critical to its success, and the strategies employed in commercialization of the licensed technology, assuming the Registrant's business plan is ultimately successful.

### **Note 4 Going Concern**

The Registrant's condensed consolidated financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

As shown in the accompanying financial statements, the Registrant had negative working capital at June 30, 2006, of \$1,636,850. In addition, the Registrant has incurred an accumulated deficit of \$(69,636,453) through June 30, 2006. The Registrant is dependent upon the efforts of its management to obtain financing from continued debt or equity placements or alternative financing structures to sustain the research and development and ultimate commercialization of their respective interests in the Super Smart Card technology. The Registrant's ability to continue to receive the necessary level of funding support through the efforts of its management cannot be guaranteed. The condensed consolidated financial statements do not include any adjustments that might be necessary if the Registrant is unable to continue as a going concern.

## **ITEM 2. MANAGEMENT'S PLAN OF OPERATION**

### **Plan of Operation**

Since the inception of our development period on January 1, 2001, and continuing through June 30, 2006, our primary source of funds has been private financing including loans from the Licensor. We presently expect that this dependence will continue until our revenues exceed our operating expense. As of this Report, we expect this dependence to continue until the third or fourth quarter of 2007. Based upon our current and planned 2006 rate of operating commitments, we will require approximately \$25,000,000 in additional funding during this period. Although management has identified several potential sources of private and institutional capital, there can be no assurance that we will be able to successfully obtain all or a portion of the funds required to commence commercial operations.

Over the next twelve months we expect to continue our marketing and research and development efforts and to implement our first system, demonstrating the viability of our Super Smart Card and BVS2 based products and related technologies.

Our ability to maintain what we believe to be the state-of-the-art quality of our Super Smart Card and BVS2 system and related technologies is dependent upon our ability to continue to improve our products functionality and durability, and to reduce their cost of

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manufacture. In addition, we are constantly seeking to develop new products that enhance the functionality of our BVS2 platform. This research and development process is expected to continue throughout 2006 and will remain an ongoing aspect of our operations.

We are continuously acquiring equipment in connection with our research and development activities. Our planned 2006 budget is approximately \$5,000,000 for such acquisitions, but could change depending upon our rate of accomplishment in the anticipated sales of one or more systems. Should such sales occur, we will also require an operations and testing center near those customers' offices as a condition of contract.

During 2006 in the United States, we intend to fill a number of key management, marketing and technology positions commensurate with our intended growth and expanded operations.

## **Off-Balance Sheet Arrangements**

During the three months ended June 30, 2006, we had no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors. The Company is presently negotiating certain proposed relationships, which if accepted by all parties, may contain terms that have off-balance sheet implications; see Note 12 to the Consolidated Financial Statements included in Item 7 of our Form 10-KSB for the year ended December 31, 2005, as amended April 30, 2007.

## **Forward Looking Statements:**

The following discussion contains forward-looking statements regarding the Registrant, its business, prospects and results of operations that are subject to certain risks and uncertainties posed by many factors and events that could cause the Registrant's actual business, prospects and results of operations to differ materially from those that may be anticipated by such forward-looking statements. Factors that may affect such forward-looking statements include the Registrant's ability to successfully exploit its licensed technology, develop new products and new markets for its licensed technology; the impact of competition on the Registrant's proposed operations, changes in law or regulatory requirements that adversely affect or preclude customers from using the Registrant's licensed technology, delays in the Registrant's introduction of new products or services, and failure by the Registrant to keep pace with emerging technologies.

When used in this discussion, words such as believes, anticipates, expects, "intends, and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. The Registrant undertakes no obligation to revise any forward-looking statements in order to reflect events or circumstances that may subsequently arise. Readers are urged to carefully review and consider the various disclosures made by the Registrant in this report and other reports filed with the Securities and Exchange Commission (SEC) that attempt to advise interested parties of the risks and factors that may affect the Registrant's business.

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### **Discussion and Analysis of the Six Months Ended June 30, 2006 and 2005**

**Revenues** Since obtaining the license to the Super Smart Card technology in November 2000, the Registrant has been engaged in research and development efforts to enhance and broaden the technology's applications and in exploring the global market for its optimal commercialization. In the opinion of management, the Registrant's Super Smart Card is ready for commercialization. This fact notwithstanding, the Registrant is still in its development stage for accounting purposes as it has not experienced revenues in either of the six month periods ended June 30, 2006 ( 6M6 ) or June 30, 2005 ( 6M5 ).

**Cost of Revenues** Consistent with the Registrant still being in its development stage, it did not experience cost of revenues in either 6M6 or 6M5.

**Operating Expenses** Operating expenses were \$2,127,043 for 6M6 compared to \$2,127,593 for 6M5 resulting in a decrease of \$550 or 0%. The principal elements of this decrease were reduced research and development expenses, net of increased marketing as we approach commercialization, and greater interest charges in line with our borrowings.

**Loss Before Taxes and Income Taxes** As a result of the foregoing, loss before taxes for 6M6 was \$(2,127,043) compared to \$(2,127,593) for 6M5, upon which the Registrant's tax provision in both periods related solely to minimum franchise taxes.

**Net Loss** Consistent with the foregoing analysis, the Registrant reported a net loss of \$(2,128,543) or \$(0.01) per share for 6M6, compared to a net loss of \$(2,128,243) or \$(0.01) per share for 6M5, based upon weighted average shares outstanding of 200,000,000 and 180,346,118, respectively.

### **Discussion and Analysis of the Three Months Ended June 30, 2006 and 2005**

**Revenues** Since obtaining the license to the Super Smart Card technology in November 2000, the Registrant has been engaged in research and development efforts to enhance and broaden the technology's applications and in exploring the global market for its optimal commercialization. In the opinion of management, the Registrant's Super Smart Card is ready for commercialization. This fact notwithstanding, the Registrant is still in its development stage for accounting purposes as it has not experienced revenues in either of the three month periods ended June 30, 2006 ( 2Q6 ) or June 30, 2005 ( 2Q5 ).

**Cost of Revenues** Consistent with the Registrant still being in its development stage, it did not experience cost of revenues in either 2Q6 or 2Q5.

**Operating Expenses** Operating expenses were \$1,111,045 for 2Q6 compared to \$1,316,343 for 2Q5, resulting in a decrease of \$205,298 or 16%. The principal reasons for this decrease were reduced research and development expenses, net of increased marketing as we approach commercialization and greater interest charges in line with our borrowings.

**Loss Before Taxes and Income Taxes** As a result of the foregoing, loss before taxes for 2Q6 was \$(1,111,045) compared to \$(1,316,343) for 2Q5, upon which the Registrant's tax provision in both periods related solely to minimum franchise taxes.

**Net Loss** Consistent with the foregoing analysis, the Registrant reported a net loss of \$(1,111,505) or \$(0.00) per share for 2Q6, compared to a net loss of \$(1,316,743) or \$(0.00) per share for 2Q5, based upon weighted average shares outstanding of 200,000,000 and 185,453,748, respectively.

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**Liquidity and Capital Resources** The Registrant has limited working capital and is dependent upon the efforts of its management in raising proceeds derived from private securities offerings or alternative financing arrangements for the continuation of its proposed smart card business. Currently, the Registrant does not have any existing credit facilities or similar bank borrowing arrangements. The Registrant will need to obtain additional financing in order to carry out its entire business plan. There can be no assurance that any additional financing will be available to the Registrant on acceptable terms, if at all. If the Registrant raises additional funds by issuing additional equity securities, further dilution to existing equity holders will result. If adequate additional funds are not available, the Registrant may be required to curtail significantly its long term business objectives and the Registrant still may not be able to transition out of the development stage, notwithstanding that the BVS2 systems and Super Smart Card and other smart card system technologies are ready for commercialization.

At June 30, 2006, the Registrant had current assets of \$405,534 (including cash of \$399,149), current liabilities of \$2,042,384, and an accumulated deficit of \$(69,636,453). The Registrant periodically evaluates its liquidity requirements, capital needs and availability of capital resources in view of its plans for commercialization of its technology, and other operating cash needs. In the opinion of Registrant's management, the Registrant is entirely dependent upon a material infusion of capital from the sale of securities to its accredited investors during the next several months in order to sustain its current developmental efforts, commence commercial operations, and ultimately transition out of the development stage.

### **ITEM 3. CONTROLS AND PROCEDURES**

#### **Evaluation of Disclosure Controls and Procedures**

As of June 30, 2006, the Company's CEO and CFO carried out an evaluation of the effectiveness of the Company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) or 15d-15(e)). Based upon this evaluation, the CEO and CFO concluded that as of June 30, 2006, the Company's disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company is recorded, processed and summarized and that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosures.

While concluding that the Company's controls and procedures are effective to ensure that information is accumulated and communicated to management to allow timely decisions regarding disclosures, the CEO also acknowledges that the Company has not been able to ensure that its reports were filed within the time periods specified by the Commission. The CEO concluded that the issues regarding the timeliness of our reporting related not to the accuracy of the reported data but to the delays in filing which flowed from issues associated with allocation and availability of resources, both financial and staff. The Company has therefore taken additional steps to retain additional administrative and financial staff, and is seeking to ensure the availability of the funds necessary for timely submission of all periodic filings.

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**Changes in Internal Controls**

The Registrant made no significant changes in its internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation of those controls by the CEO and CFO.

**PART II - OTHER INFORMATION**

**ITEM 5. OTHER MATTERS**

Effective June 2006, Wayne Drizin's consulting relationship with the company was terminated. The Company thereafter commenced an investigation into the circumstances surrounding Mr. Drizin's separation.

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

Exhibits:

31.1 - Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 - Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.2 - Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Reports on Form 8-K: None.

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**SIGNATURES**

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant has caused this amended report to be signed on its behalf by the undersigned, thereunto duly authorized.

e-Smart Technologies, Inc.

By: /s/ Mary A. Grace  
Chief Executive Officer and Director

By: /s/ Mary A. Grace  
Chief Financial Officer

Dated: November 20, 2007

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| <b>Exhibit No.</b> | <b>Description</b>  |
|--------------------|---|
| 31.1 -             | Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 -             | Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 -             | Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |