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WATER CHEF INC
Form 10QSB/A
July 16, 2003

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

Form 10-QSB/A-1

(Mark One)

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

For the quarterly period ended March 31, 2002

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

For the transition period from.....to.....

Commission file number 0-30544

WATER CHEF, INC.

(Exact name of small business issuer as specified in its charter)

Delaware

86-0515678

(State of other jurisdiction of
incorporation or organization)

(IRS Employer
identification No.)

1007 Glen Cove Avenue, Suite 1, Glen Head, New York 11545

(Address of principal executive offices)

516-656-0059

(Issuer's telephone number)

(Former name, former address and former fiscal year, if changed since last
report)

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

APPLICABLE ONLY TO CORPORATE ISSUERS

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

OUTSTANDING AS OF

CLASS

May 20, 2002

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Common
Par value \$0.001 per share 89,564,286

WATERCHEF, INC.

INDEX

| PART I - FINANCIAL INFORMATION: | Page |
|------------------------------------------------------------------------------------------------------|--------|
| | ---- |
| ITEM 1 - FINANCIAL STATEMENTS | |
| CONDENSED BALANCE SHEET (UNAUDITED) At March 31, 2002 | 2 |
| CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED) For the Three Months Ended March 31, 2002 and 2001 | 3 |
| CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED) For the Three Months Ended March 31, 2002 and 2001 | 4 |
| NOTES TO CONDENSED FINANCIAL STATEMENTS (UNAUDITED) | 5 - 8 |
| ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS | 9 - 10 |
| ITEM 3 - CONTROLS AND PROCEDURES | 10 |
| PART II - OTHER INFORMATION: | |
| ITEM 1 - LEGAL PROCEEDINGS | 11 |
| ITEM 2 - CHANGES IN SECURITIES AND USE OF PROCEEDS | N/A |
| ITEM 3 - DEFAULTS UPON SENIOR SECURITIES | N/A |
| ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS | N/A |
| ITEM 5 - OTHER INFORMATION | N/A |
| ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K | 12 |
| SIGNATURE | 13 |
| CERTIFICATION | 14 |
| EXHIBIT | |

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WATER CHEF INC.
(A Development-Stage Company Commencing January 1, 2002)

CONDENSED BALANCE SHEET

MARCH 31, 2002

(Unaudited)

ASSETS

| | (As Restated See Note 2) |
|------------------------------------------------------------------------|-----------------------------|
| ----- | |
| CURRENT ASSETS: | |
| Cash | \$ 5,913 |
| Inventories | 145,960 |
| Prepaid expenses and other current assets | 9,662 |
| ----- | |
| TOTAL CURRENT ASSETS | 161,535 |
| PATENTS AND TRADEMARKS (net of accumulated amortization of \$1,845) | 24,210 |
| ----- | |
| | \$ 185,745 |
| ===== | |

LIABILITIES AND STOCKHOLDERS' DEFICIT

| | |
|--------------------------------------------------------------------------|------------------|
| CURRENT LIABILITIES: | |
| Accounts payable | \$ 203,186 |
| Accrued expenses and other current liabilities | 640,660 |
| Notes payable (including accrued interest of \$187,709) | 1,250,365 |
| ----- | |
| TOTAL CURRENT LIABILITIES | 2,094,211 |
| LONG-TERM LIABILITIES: | |
| Loans payable to shareholder (including accrued interest of \$39,584) | 412,365 |
| ----- | |
| TOTAL LIABILITIES | 2,506,576 |
| ===== | |

COMMITMENTS AND CONTINGENCIES

| | |
|-----------------------------------------------|--------------------|
| STOCKHOLDERS' DEFICIT: | |
| Preferred stock, \$.001 par value; | |
| 10,000,000 shares authorized; | |
| 145,500 shares issued and outstanding | 146 |
| Common stock, \$.001 par value; | |
| 190,000,000 shares authorized; | |
| 86,614,286 shares issued and outstanding | 86,614 |
| Additional paid in capital | 12,339,469 |
| Stock subscription receivable | (45,500) |
| Treasury stock, 4,400 common shares, at cost | (5,768) |
| Accumulated deficit through December 31, 2001 | (14,531,596) |
| Accumulated deficit | (164,196) |
| ----- | |
| TOTAL STOCKHOLDERS' DEFICIT | (2,320,831) |

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\$ 185,745
=====

See notes to condensed financial statements.

2

WATER CHEF, INC.
(A Development-Stage Company Commencing January 1, 2002)

CONDENSED STATEMENTS OF OPERATIONS

(Unaudited)

| | Three Months Ended March 31, | |
|-------------------------------------------------------------------|------------------------------|--------------|
| | 2002 | 2001 |
| | (As Restated See Note 2) | * |
| Sales | \$ 40,000 | \$ -- |
| Costs and Expenses: | | |
| Cost of sales | 25,480 | -- |
| Selling, general and administrative | 141,348 | 169,966 |
| Research and development | -- | 53,125 |
| Interest expense | 37,368 | 9,459 |
| | 204,196 | 232,550 |
| Loss from continuing operations | (164,196) | (232,550) |
| Loss from discontinued operations | -- | (35,570) |
| Net loss | (164,196) | (268,120) |
| Preferred stock dividends | (27,075) | (27,075) |
| Net loss applicable to common stock | \$ (191,271) | \$ (295,195) |
| Basic and Diluted Loss Per Common Share: | | |
| Continuing operations | \$ (0.00) | \$ (0.00) |
| Discontinued operations | (0.00) | (0.00) |
| | \$ (0.00) | \$ (0.00) |
| Weighted Average Common Shares Outstanding - Basic and Diluted | 86,614,286 | 72,398,867 |

* - reclassified to conform with current period presentation

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See notes to condensed financial statements.

3

WATER CHEF INC.
(A Development-Stage Company Commencing January 1, 2002)

CONDENSED STATEMENTS OF CASH FLOWS

(Unaudited)

| | Three Months Ended March 31, | |
|-------------------------------------------------------------------------------|------------------------------|--------------|
| | 2002 | 2001 |
| | (As Restated See Note 2) | * |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss | \$ (164,196) | \$ (268,120) |
| Adjustments to reconcile net loss to net cash used in operating activities | | |
| Loss from discontinued operations | -- | 35,570 |
| Depreciation and amortization | 463 | 61 |
| Non-cash compensation | -- | 11,100 |
| Write-off of note-payable | -- | (11,019) |
| Change in assets and liabilities | | |
| Inventories | 13,290 | -- |
| Other current assets | 50,000 | (6,219) |
| Accounts payable and accrued expenses | 48,844 | (11,336) |
| Net cash used in continuing operations | (51,599) | (249,963) |
| Net cash from (used in) discontinued operations | -- | (58,432) |
| NET CASH USED IN OPERATING ACTIVITIES | (51,599) | (308,395) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from notes payable | -- | 50,000 |
| Proceeds from sale of common stock and exercise of warrants | 22,000 | 491,470 |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | 22,000 | 541,470 |
| NET (DECREASE) INCREASE IN CASH | (29,599) | 233,075 |
| CASH AT BEGINNING OF YEAR | 35,512 | 158,100 |
| CASH AT END OF PERIOD | \$ 5,913 | \$ 391,175 |

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* - reclassified to conform with current period presentation

See notes to condensed financial statements.

4

WATER CHEF, INC.
(A Development-Stage Company Commencing January 1, 2002)

NOTES TO CONDENSED FINANCIAL STATEMENTS (Unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and the instructions to Form 10-QSB. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows for all periods presented have been made. The results of operations for the three month period ended March 31, 2002, are not necessarily indicative of the operating results that may be expected for the year ending December 31, 2002. These financial statements should be read in conjunction with the Company's December 31, 2001 Form 10-KSB, financial statements and accompanying notes thereto.

In November 2001, the Company's sold their water cooler and filter operations for. Accordingly, this segment of the Company's business is reported as discontinued operations for the three months ended March 31, 2002 and 2001. The three months ended March 31, 2001 has been restated to reflect such operations as discontinued.

The Company's condensed statements of operations and cash flows for the three months ended March 31, 2002 represent the cumulative from inception information required by Statement of Financial Accounting Standards ("SFAS") No. 7, "Development Stage Enterprises".

2. RESTATEMENT

As a result of certain adjustments to the annual 10-KSB financial statements for the years ended December 31, 2002 and 2001, the Company is restating its Form 10-QSB filings included in those periods. The March 31, 2002 results were restated as a result of such adjustments. No adjustments to the March 31, 2001 were necessary.

The Company has corrected an error relating to the accrual of directors fees and the recording of certain other expenses and adjustments. The Company recorded a reduction of expenses of \$74,286 for the period ended March 31, 2002 as a result of these adjustments.

The cumulative effect of the preceding adjustments on net loss and net loss per share for the period ended March 31, 2002 is as follows:

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| | As Previously Reported ----- | As Adjusted ----- |
|-------------------------------------|---------------------------------------|-------------------------|
| Net loss applicable to common stock | \$ (265,557) ===== | \$ (191,271) ===== |
| Net loss per share | \$ (0.00) ===== | \$ (0.00) ===== |

3. GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has had recurring losses. Additionally, the Company had working capital and total capital deficiencies of approximately \$1,933,000 and \$2,321,000 at March 31, 2002. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans with respect to these matters include restructuring its existing debt, raising additional capital through future issuances of stock and or debentures. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

5

WATER CHEF, INC.
(A Development-Stage Company Commencing January 1, 2002)

NOTES TO CONDENSED FINANCIAL STATEMENTS (Unaudited)

4. RECENT ACCOUNTING PRONOUNCEMENT

- a. Effective January 1, 2002, the Company adopted SFAS No. 142 "Goodwill and Other Intangible Assets". Under SFAS No. 142, goodwill acquired in the acquisition will not be amortized but instead be tested annually for impairment. The adoption of SFAS No. 142 had no impact on the Company's financial position or results of operations.
- b. In August 2001, the FASB issued Statement of Financial Accounting Standards No. 144 ("SFAS 144"), "Accounting for the Impairment or Disposal of Long-lived Assets". SFAS 144 superceded Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-lived Assets and Assets to be Disposed of" and the accounting and reporting provisions of Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions". SFAS 144 also amends Accounting Research Bulletin No. 51, "Consolidated Financial Statements," to eliminate the exception to consolidation for a subsidiary for which control is likely to be temporary. The provisions of SFAS 144 are effective for fiscal years Beginning after December 15, 2001.

The most significant changes made by SFAS No. 144 are (1) goodwill is removed from its scope and, therefore, it eliminates the requirements of

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SFAS 121 to allocate goodwill to long lived assets to be tested for impairment, and (2) it describes a probability-weighted cash flow estimation approach to apply to situations in which alternative courses of action to recover the carrying amount of long-lived assets is under consideration or a range is estimated for the amount of possible future cash flows. The Company's adoption of SFAS No. 144 on January 1, 2002 did not have a material effect on its financial position or results of operations.

- c. On April 30, 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statement No. 4, 44 and 64, Amendment of FASB Statement No.13, and Technical Corrections." The rescission of SFAS No.4, "Reporting Gains and Losses from Extinguishments", and SFAS No.64, "Extinguishments of Debt made to Satisfy Sinking Fund Requirements," which amended SFAS No.4 will affect income statement classification of gains and losses from extinguishment of debt. SFAS No.4 requires that gains and losses from extinguishment of debt be classified as an extraordinary item, if material. Under SFAS No. 145, extinguishment of debt is now considered a risk management strategy by the reporting enterprise and the FASB does not believe it should be considered extraordinary under the criteria in APB Opinion No.30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions", unless the debt Extinguishment meets the unusual in nature and infrequency of occurrence criteria in APB Opinion No. 30. SFAS No. 145 will be effective for fiscal years beginning after May 15, 2002. The Company has not yet determined the impact of SFAS No.145 on its financial position and results of operations, if any.

6

WATER CHEF, INC.

(A Development-Stage Company Commencing January 1, 2002)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(Unaudited)

4. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)
- d. In June 2002, the FASB issued SFAS No.146, "Accounting for Costs Associated with Exit or Disposal Activities". SFAS No. 146 Addresses financial accounting and reporting for costs associated with exit or disposal activities and nullified Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)". SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. A fundamental conclusion reached by the FASB in this statement is that an entity's commitment to a plan, by itself, does not create a present obligation to others that meets the definition of a liability. SFAS No. 146 also establishes that fair value is the objective for initial measurement of the liability. The provisions of this statement are effective for exit or disposal activities that are initiated after December 31, 2002, with early application encouraged. The Company has not yet determined the impact of SFAS No.146 on its financial position and results of operations, if any.

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5. COMMITMENTS AND CONTINGENCIES

- The Company is a defendant in an action brought by certain debenture holders ("Bridge Loans") in New Hampshire Superior Court seeking repayment of \$375,000 of debenture principal together with interest from 1997, and the issuance of penalty shares for non payment of principal and interest. In addition, the plaintiff's claim that they have suffered by the Company's failure to register the shares issued under the debenture, the warrants issued under the debenture and the shares issuable under the warrant agreement.

The Company has interposed defenses and counterclaims, which the Company and its legal counsel believe, have strong merit. In connection with the debentures, the Company issued 6,667 shares of common stock for every \$1,000 of debt at a price of \$0.15 per share. The Company claims that it is owed the \$375,000 consideration for such shares. In addition, the Company issued warrants for the purchase of 2,500,000 shares of common stock at an exercise price of \$0.15 per share exercisable until April 2002. Furthermore, the Company issued another 100,000 shares of common stock to each debenture holder, or 1,300,000 shares, at a price of \$0.15 per share.

The Company and the plaintiffs, in this dispute, have reached an agreement in principal to settle their differences. If the agreement is finalized, the Company will issue additional shares of common stock in lieu of the principal and interest owed to settle the dispute. Management does not expect total shares to be issued under the agreement to be less than 3,000,000, nor does it believe that this settlement will have a material adverse effect upon the Company.

- The Company is a defendant in an action, brought by a customer, relating to a series of contracts that the Company entered into. These contracts were with the Company's discontinued water cooler and filter operation. Such operations were sold in November 2001, however legal actions with regards to the operations prior to the sale, remain the Company's responsibility. The customer claims that the Company breached these contracts by shipping certain goods that did not conform to the contract. Most of the damages that the customer seeks consist of lost business profits. Company management, and legal counsel, believe that the action is without merit. The Company has made a \$5,000 settlement offer to the customer, for the nuisance value of the lawsuit. The customer has rejected such offer, and has proposed a \$75,000 settlement. No provision has been provided for at March 31, 2002.

7

WATER CHEF, INC.

(A Development-Stage Company Commencing January 1, 2002)

NOTES TO CONDENSED FINANCIAL STATEMENTS
(Unaudited)

5. COMMITMENTS AND CONTINGENCIES (Continued)

- In May 2001, the Company entered a distribution agreement with a company (the "Sub distributor") based in the State of Jordan. The Sub distributor has agreed to purchase no fewer than 100 units of the

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Company's "Pure Safe Water Station", in the calendar year commencing January 1, 2001. A minimum purchase of 50 units are required to be purchased in each of the subsequent years commencing January 1, 2002 and 2003, respectively. During the year ended December 31, 2001, 18 units have been shipped under this agreement. The sale will be recognized when the Company receives payments. The Company has recorded the costs of the inventory shipped as an operating cost since return of the items is uncertain.

6. COMMON STOCK

In February the Company's Board of Director approved the increase in the number of authorized common shares to 190,000,000.

7. SUBSEQUENT EVENTS

- In April 2002, the Company received an aggregate of \$200,000 for 4,000,000 shares of its common stock. These shares will be issued upon approval of an increase in the authorized capital shares of the Company. As such, a liability for the issuance will be recorded for the future issuance.
- In April and May of 2002, the Company issued an aggregate of 450,000 shares of its common stock, valued at \$0.08 per share for a total of \$36,000, for consulting services previously performed for the Company.

8

Item II Management's Discussion and Analysis of Results or Plan of Operation.

INTRODUCTION

Until the fourth quarter of 2001 WaterChef was engaged in the manufacture and marketing of water coolers and water purification and filtration equipment. In the fourth quarter of 2001, the Company negotiated the sale of this business in order to focus its activities on its PureSafe business line. The PureSafe had been designed by the company to meet the needs of communities who either did not have access to municipal water purification systems, or to those whose systems had been compromised, either by environmental factors or by faulty design or maintenance.

RESULTS OF OPERATIONS

During 2001 WaterChef made the strategic decision to exit the water cooler and consumer filter segments of its business in order to concentrate its resources on the development of the market for the PureSafe Water Station. With the sale of these assets consummated in December 2001, the Company's water cooler and consumer filter businesses are reported as discontinued operations for the three months ended March 31, 2002 and 2001, resulting in a loss from discontinued operations of \$0 and \$35,570, respectively.

For the three months ended March 31, 2002, Water Chef reported a sale of one unit for \$40,000, to an importer of water system products, compared to no sales reported for the three months ended March 31, 2001 as it relates to the Company's continuing operation, the marketing and sales of the PureSafe water system. Cost of goods sold for the three months ended March 31, 2002 were \$25,480. During the three months ended March 31, 2002, WaterChef was in the

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development process for the distribution and sale of the PureSafe Water Station. Selling, general and administrative expenses were \$141,348 for the three months ended March 31, 2002 compared to \$169,966 for the year earlier period, a decrease of \$28,618, or 17%.

The Company did not incur research and development expenses for the three months ended March 31, 2002, as compared to \$53,125 of such expenses in the corresponding three months ended March 31, 2001.

The loss from discontinued operations for the three months ended March 31, 2002 was \$0 compared to a loss of \$35,570 for the three months ended March 31, 2001. Since the sale of water coolers and water purification and filtration equipment business segment in December of 2001, no operations existed during the three months ended March 31, 2002.

9

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2002 the Company had a stockholders' deficit of approximately \$2,321,000 and a working capital deficit of approximately \$1,933,000. In addition, the Company has incurred losses from continuing operations of \$164,196 and \$232,550 for the three months ended March 31, 2002 and 2001, respectively. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans with respect to these matters include restructuring its existing debt, raising additional capital through future issuances of stock and / or debt. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Management is currently attempting to settle or restructure the remaining debt, as it relates to the discontinued operations, and plans to raise additional capital through future issuances of stock and/or debentures to finance the growth of the Company.

The Company did not settle notes payable or a accrued interest in the quarter ended March 31, 2002. During the quarter ended March 31, 2001 the Company settled notes payable and accrued interest of \$48,995 with the issuance of 650,000 shares of common stock.

During the quarter ended March 31, 2002 the Company did not raise capital through the sale of debt or equity. The Company did receive \$22,000, during the quarter ended March 31, 2002, as payment on shares issued during the year ended December 31, 2001 and accounted for as stock subscription receivable. During the quarter ended March 31, 2001 the Company raised \$50,000 through the issuance of debt and \$491,470 through the sale of stock during the period, with the stock being issued in the second quarter ended June 30, 2001.

During the balance of 2002, using the cash on hand and the cash to be generated from the anticipated sales of the PureSafe Water Station, the Company expects to resolve the majority of those liabilities reflected on the balance sheet.

In April 2002, the Company sold an aggregate of 4,000,000 shares of its common stock, for net proceeds of \$200,000.

In April and May of 2002, the Company issued an aggregate of 1,475,000 shares of its common stock for consulting services previously performed for the Company, and 3,007,133 shares for services to be performed at a later date.

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In May 2002, the Company agreed to issue to the Company's President and Chief Executive Officer, and related parties of such, an aggregate of 14,923,958 shares of its common stock in connection with the voluntary surrender of a non-dilution agreement, that the President had entered into with the Company in June 1997.

ITEM 3 - CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Based on their evaluation of our disclosure controls and procedures conducted within 90 days of the date of filing this quarterly report on Form 10-QSB, our Chief Executive Officer and the Chief Financial Officer have concluded that our Disclosure controls and procedures (as defined in Rules 13a-(c) and 15d-(c) promulgated under the Securities Exchange Act of 1934 are effective.

(b) Changes in Internal Controls

There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, and no corrective actions with regard to significant deficiencies and material weaknesses were taken.

10

PART II OTHER INFORMATION

Item 1 Legal Proceedings

- The Company is a defendant in an action brought by certain debenture holders ("Bridge Loans") in New Hampshire Superior Court seeking repayment of \$375,000 of debenture principal together with interest from 1997, and the issuance of penalty shares for non payment of principal and interest. In addition, the plaintiff's claim that they have suffered by the Company's failure to register the shares issued under the debenture, the warrants issued under the debenture and the shares issuable under the warrant agreement.

The Company has interposed defenses and counterclaims, which the Company and its legal counsel believe, have strong merit. In connection with the debentures, the Company issued 6,667 shares of common stock for every \$1,000 of debt at a price of \$0.15 per share. The Company claims that it is owed the \$375,000 consideration for such shares. In addition, the Company issued warrants for the purchase of 2,500,000 shares of common stock at an exercise price of \$0.15 per share exercisable until April 2002. Furthermore, the Company issued another 100,000 shares of common stock to each debenture holder, or 1,300,000 shares, at a price of \$0.15 per share.

The Company and the plaintiffs, in this dispute, have reached an agreement in principal to settle their differences. If the agreement is finalized, the Company will issue additional shares of common stock in lieu of the principal and interest owed to settle the dispute. Management does not expect total shares to be issued under the agreement to be less than

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3,000,000, nor does it believe that this settlement will have a material adverse effect upon the Company.

- The Company is a defendant in an action, brought by a customer, relating to a series of contracts that the Company entered into. These contracts were with the Company's discontinued water cooler and filter operation. Such operations were sold in November 2001, however legal actions with regards to the operations prior to the sale, remain the Company's responsibility. The customer claims that the Company breached these contracts by shipping certain goods that did not conform to the contract. Most of the damages that the customer seeks consist of lost business profits. Company management, and legal counsel, believe that the action is without merit. The Company has made a \$5,000 settlement offer to the customer, for the nuisance value of the lawsuit. The customer has rejected such offer, and has proposed a \$75,000 settlement. The Company has not made a provision for this lawsuit as of March 31, 2002.

11

ITEM 2 CHANGES IN SECURITIES AND USE OF PROCEEDS

In February the Company's Board of Director approved the increase in the number of authorized common shares to 190,000,000.

In April 2002, the Company received an aggregate of \$200,000 for 4,000,000 shares of its common stock. These shares will be issued upon approval of an increase in the authorized capital shares of the Company. As such, a liability for the issuance will be recorded for the future issuance.

In April and May of 2002, the Company issued an aggregate of 450,000 shares of its common stock, valued at \$0.08 per share for a total of \$36,000, for consulting services previously performed for the Company.

ITEM 3 DEFAULT UPON SENIOR SECURITIES

None

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SHAREHOLDERS

None

ITEM 5 OTHER INFORMATION

None.

ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K

Exhibit

- 99.1 - Certification of Chief Executive Officer pursuant to 18 U.S.C.ss.1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Reports on Form 8-K

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No reports were filed on Form 8-K during the quarter ended March 31, 2002.

12

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has caused this Report to be signed on its behalf by the Undersigned thereunto duly authorized.

WaterChef, Inc.

July 9, 2003
Date

/s/ David A. Conway

David A. Conway
President, Chief Executive
Officer, and Chief Financial
Officer
(Principal Operating Officer)

13

CERTIFICATION

I, David A. Conway, certify that:

I have reviewed this quarterly report on Form 10-QSB of WaterChef, Inc.;

Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared; Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the

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"Evaluation Date"); and Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in our financial controls; and Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

he registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ David A. Conway

David A. Conway
President and Chief Executive Officer
and Chief Financial Officer

July 9, 2003