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RAINWIRE PARTNERS INC /DE/
Form 10QSB
August 14, 2002

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20459

FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF

THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended: June 30, 2002

Commission File Number: 0-23892

Rainwire Partners, Inc.

(Exact Name of Registrant as specified in its charter

Delaware

57-0941152

(State or other jurisdiction of incorporation or organization

(I.R.S. Employer Identification
No.)

Suite 925, 8215 Roswell Road
Atlanta, GA

30350

Address of Principal executive offices of Incorporation or
organization

Zip Code

770-522-8181

Registrants telephone number, including area code

2020 Federal Road, Roswell, GA 30075

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

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 and 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 last 90 days.

YES

NO

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as to the latest practical date.

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CLASS	No. of shares Outstanding on June 30, 2002
Common Stock	9,909,886
Par Value \$.001	
Per share	

RAINWIRE PARTNERS, INC.

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RAINWIRE PARTNERS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED BALANCE SHEETS

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ASSETS OF DISCONTINUED BUSINESS	June 30, 2002
	(unaudited)
CURRENT ASSETS	
Cash	\$ -
TOTAL CURRENT ASSETS	\$ -
LIABILITIES OF DISCONTINUED BUSINESS	
CURRENT LIABILITIES	
Related Party loans	\$ 126,95
Accounts payable	813,16
Accrued business disposal costs and expenses	46,98
Other accrued liabilities	10,32
TOTAL CURRENT LIABILITIES	997,43
REDEEMABLE PREFERRED STOCK	
Par value \$.001;authorized 2,500,000 shares	
Series C, 24,959 shares outstanding	55,90
Series D, 500,000 shares outstanding	50,00
	105,90
COMMITMENTS AND CONTINGENCIES	
STOCKHOLDERS' EQUITY (DEFICIT)	
Common stock, \$.001 par value; authorized,100,000,000 shares outstanding, 995,494 shares	99
Paid-in capital	1,437,59
Accumulated (deficit)	(2,491,92)
Treasury Stock	(50,00)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(1,103,34)
	\$ -

The accompanying notes are an integral part of these financial statements

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RAINWIRE PARTNERS, INC.
 (A DEVELOPMENT STAGE COMPANY)
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (UNAUDITED)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS JUNE
	2002	2001	2002
Revenues	\$ --	\$ --	\$ --
Expenses			
Income (loss) from continuing operations	--	--	--
Discontinued Operations:			
Income from discontinued operations	--	--	--
Net income	\$ --	\$ --	\$ --
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	995,494	380,494	995,494
Basic And Diluted Net Income Per Common Share	\$ --	\$ --	\$ --
Income From Discontinued Operations	--	--	--
Basic And Diluted Net Income Per Common Share	\$ --	\$ --	\$ --

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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RAINWIRE PARTNERS, INC.
 (A DEVELOPMENT STAGE COMPANY)
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (UNAUDITED)

SIX MONTHS EN
 JUNE 30,

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	2002

CASH FLOWS FROM OPERATING ACTIVITIES	
Continuing Operations	\$ --
Discontinued Operations:	
Stock issued for services	
Capital contributed for services	
Adjustments to reconcile net loss to net cash flows	
used by discontinued activities	
Income (loss) from operations of discontinued business	--
Changes in current assets and liabilities:	
Accounts receivable	
Other current assets	
Deposits	
Accrued liabilities	(12,818)
Provision for loss on disposal of the business	
Accounts payable	

Net cash flows used by discontinued activities	(12,818)

CASH FLOWS FROM INVESTING ACTIVITIES	
(Increase) decrease in other assets	--

Net cash flows from (to) investing activities	--

CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of common stock	
Related Party Loans	12,030

Net cash flows from financing activities	12,030

NET CHANGE IN CASH FLOWS FOR THE PERIOD	(788)
CASH, AT BEGINNING OF PERIOD,	788

CASH, AT END OF PERIOD	\$ --
	=====

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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RAINWIRE PARTNERS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

COMMON STOCK		PAID-IN CAPITAL	ACCUMU (DEFI
SHARES	AMOUNT		
-----	-----	-----	-----

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(AUDITED)				
Balance December 31, 2000	7,609,886	\$ 7,610	\$1,321,472	\$ (2,49
Shares issued for legal services at \$.025 per share on August 29, 2001	100,000	100	2,400	
Shares sold at \$.05 per share on September 30, 2001	200,000	200	9,800	
Shares issued to retire debt on August 29, 2001 at \$.005 per share	12,000,000	12,000	48,000	
20 for 1 reverse stock split, December 19, 2001	(18,914,392)	(18,915)	18,915	
Accretion on redeemable preferred stock			(2,997)	
Management services contributed to capital			40,000	
Purchase of 25,000 shares as treasury stock for issuance of 25,000 shares of Series D convertible debentures, October 15, 2001				
	-----	-----	-----	-----
Balance December 31, 2001	995,494	995	1,437,590	(2,49
(UNAUDITED)				
Net (loss) for the six months				
	-----	-----	-----	-----
BALANCE, June 30, 2002 (unaudited)	995,494	\$ 995	\$1,437,590	\$ (2,49
	=====	=====	=====	=====

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

RAINWIRE PARTNERS, INC.

NOTES TO FINANCIAL STATEMENTS (unaudited)

Note 1. Basis of Presentation

In the opinion of management, the accompanying unaudited consolidated condensed financial statements have been prepared in accordance with generally accepted accounting principles 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 accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Company's financial position as of June 30, 2002 and the consolidated results of its operations and cash flows for the three and six months ended June 30, 2002 and 2001. Operating results for the six months ended June 30, 2002 are not necessarily indicative of the results that may be expected for the year ended December 31, 2002.

These condensed financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company's Form 10-KSB for the year ended December 31, 2001.

Item 2. Management's Discussion And Analysis Of Financial Condition And Results Of Operations.

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This 10-QSB contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Investors are cautioned that certain statements in this 10-QSB are "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and involve known and unknown risks, uncertainties and other factors. Such uncertainties and risks include, among others, certain risks associated with the closing of the Oasis transaction described herein, government regulation, and general economic and business conditions. Actual events, circumstances, effects and results may be materially different from the results, performance or achievements expressed or implied by the forward-looking statements. Consequently, the forward-looking statements contained herein should not be regarded as representations by the Company or any other person that the projected outcomes can or will be achieved.

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and Notes thereto, appearing elsewhere in this Form 10-QSB.

A. Results of Operations.

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Second quarter of 2002 compared to second quarter of 2001.

There were no earned revenues in either quarter as the Company had discontinued all operations since January 1, 2000. The minor amount of expenses incurred in the current quarter were charged to the accrued estimated losses already provided as of December 31, 2000 for such anticipated amounts. These expense items were paid from advances received from Oasis Group, Inc., the development stage company seeking to acquire the majority of the Company's outstanding common stock as referred to in the Form S-4 filed with the Securities and Exchange Commission and the audited financial statements of the Company as of December 31, 2001. There was no cash activity for the comparable quarter in 2001.

Six months of 2002 compared to the same period a year ago.

There were no earned revenues in either period for the reason stated above. The minor amount of expenses incurred in both periods were charged to the accrued estimated losses already provided as of December, 31, 2000 for such anticipated amounts. All remaining assets of the Company were liquidated during the first quarter of 2001 with proceeds used to reduce outstanding indebtedness recorded as of December 31, 2000.

B. Financial Condition.

The Company is solely dependent on advances from related parties (to date Oasis Group, Inc. has advanced \$127,000) to continue in existence as the Company is in a negative financial position, has discontinued its operations as of December 31, 2000 and has substantial past due obligations and commitments. Its audited financial statements disclose a "going concern" paragraph in its most recent audited financial statements and nothing has changed that circumstance to date.

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The Company has no employees or facilities.

C. Plan of Operations.

For the near term, the Company is in the process of completing its merger with Oasis Group, Inc. It has had no operations since December 31, 2000 and is financially dependent on its shareholders, related parties and /or management, who have financed its existence to date.

Management of the Company believes it will be able to complete the merger and be successful in its efforts to continue the Company's existence. If the company is unsuccessful in completing the share exchange with Oasis Group, Inc., the company anticipates ceasing all activities and liquidating any and all remaining assets. In connection with the share exchange the company has filed a Registration Statement/Information Statement/Proxy Statement on Form S-4 on January 14, 2002, and an Amendment No. 1 to the Form S-4 on July 24, 2002, and is currently responding to comments to the Securities Exchange Commission. We expect responding to comments in the third quarter 2002 and completing the share exchange by the fourth quarter 2002.

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PART II OTHER INFORMATION

Item 1. Legal Proceedings

No material change.

Item 2. Changes in Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

Under the terms of our Series D Preferred Stock, if the Company shall fail to pay a dividend to the holders of the Series D for two consecutive quarters, the Series D shall be convertible into fifty million (50,000,000) shares of the common stock of the Company so long as such dividends remain unpaid. As of the date of the filing of this Annual Report, the Company has failed to pay a dividend for two consecutive quarters and the conversion feature has been triggered, although the holder has not converted the preferred stock. As of the date of the filing of this Quarterly Report, the Company does not have a sufficient number of authorized but unissued shares available to effect such a conversion.

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

None

Item 5. Other Information

On July 24, 2002, the Company filed Amendment No. 1 to its Registration Statement on Form S-4 (originally filed on January 14, 2002, SEC file No. 333-76684) in connection with its proposed share

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exchange with Oasis Group, Inc., a privately-held Georgia corporation.

Item 6. Exhibits and Reports on Form 8-K:

- 99.1 Certification by Lyne Marchessault, President of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.2 Certification by Peggy A. Evans, Chief Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Rainwire Partners, Inc.,
a Delaware corporation
(Registrant)

Date: August 14, 2002

By: /s/ Lyne Marchessault

Name: Lyne Marchessault
Title: President

Date: August 14, 2002

By: /s/ Peggy Evans

Name: Peggy Evans
Title: Chief Financial and Accounting
Officer

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